

JPRS-LAM-87-042

29 MAY 1987

# Latin America Report

SPECIAL NOTICE INSIDE

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TRINIDAD-TOBAGO LEADERS ADDRESS MEETING OF CARIBBEAN HINDUS

Panday's Opening Remarks

Port-of-Spain DAILY EXPRESS in English 20 Apr 87 p 2

[Article by Harry Partap]

[Text]

**EXTERNAL Affairs Minister Basdeo Panday has challenged the organisers of the first Caribbean Hindu Conference to provide a charter to guide the Caribbean Hindu at all levels of adaptation in the plural West Indian society.**

Panday made the call as he opened the conference at the Divine Life Society centre in Carlsen Field on Thursday night. Awards were presented to the relay leaders of the cross-country sacred marathon, Pradakshina, as well as Anu Ramperasad, who designed the conference logo.

The opening ceremony was attended by acting Indian High Commissioner PNG Subramanian, Cabinet Ministers Winston Dookeran and Trevor Sudama, Senators Dr Sahadeo Basdeo and

Amrika Tiwary, and Opposition leader Patrick Manning.

Said Panday, "This Hindu Conference comes at a crucial period in the political history of our nation when a transformation, not only of the face of government is taking place, but also of the political and social structures which would support the socio-economic programmes of the government."

Panday said the sustained economic growth and success of the nation dictated an emphasis on spiritual and cultural structures in the society, especially those which placed a high value on dedication, duty and patriotism.

Said Panday, "This conference comes at a time when there is a spiritual awakening in our country and an em-

phasis on a return to traditional values of integrity, morality, equality, justice, duty and those associated with human dignity." Panday said that Hindus have much to contribute to this spiritual rebirth.

Said Panday, "Just as the flame of Pradakshina has lit the consciousness of the individual, emphasising his responsibilities as a Hindu and his duty to his nation, this conference will also light the lamp of oneness, of understanding, of unity and brotherhood among all the peoples of the Caribbean."

The Minister said that the topics chosen were refreshing and visionary. Said he, "Too often, people are afraid to look within themselves or their communities and make an objective evaluation."

## Manning Address

Port-of-Spain DAILY EXPRESS in English 20 Apr 87 p 2

[Text]

**OPPOSITION Leader Patrick Manning told Hindu leaders that they must not only seek to educate Hindus about Hinduism but extend this to the entire society.**

Manning was addressing the opening of the First Caribbean Hindu Conference.

Manning said that "over the years a large portion of the people of Trinidad and Tobago have had a popular and superficial understanding of Hinduism. Many Hindus themselves partake in rituals and ceremonies about which they know little, but practise them nonetheless because they are Hindus and they know it to be the Hindu thing. Can you, therefore, imagine the ignorance of the non-Hindu who generally knows and understands so much less

about Hinduism?"

Manning praised the planners of the conference, stating that the discussions would seem to "go beyond the surface of ritual and ceremony but rather to explore Hinduism in its many dimensions."

He added, "It is your responsibility, with the necessary state assistance, not only to educate Hindus about Hinduism, but the entire society about what your religion and culture are all about. The state, for its part, should foster the environment for tickling the curiosity of people to want to know."

The Opposition leader observed that the conference planners did not include discussions on Hindu philosophy, which he described as the "real jewel of Hinduism."

## Hindu National Loyalty

Port-of-Spain DAILY EXPRESS in English 20 Apr 87 p 2

[Text]

**THE special bond which the Hindus have with India has never compromised their loyalty to Trinidad and Tobago or inhibited their commitment and contribution to the development of this country.**

This was made clear by Professor Anantanand Rambachan when he delivered the feature address at the opening of the first Caribbean Hindu Conference Alderman Surujrattan Rambachan.

This special bond has never compromised Hindu loyalty to Trinidad and Tobago or inhibited our commitment and contribution to its development. In years past and even in more recent times, this tie has been unfairly singled out and unjustifiably used to question our patriotism."

Said he, "Though it is not yet fully documented, the Hindu contribution to almost every sphere of life in Trinidad is the most eloquent testimony of our fidelity. It is an injustice to use our historical links with India as a scapegoat for national ills which have more complex causes."

Prof Rambachan said that political freedom in 1962 did not bring liberation from the attitudes and values of colonialism. Said he, "We should not delude

ourselves about the pervasiveness of these in the institutions and structures of Caribbean society.

Prof Rambachan then turned to the status of the Hindu women. Said he: "In spite of considerable progress in recent years, Hindu women are still spiritually and socially consigned to an inferior status." He spoke of the dowry system in India which put an economic price on the Hindu girl.

In Trinidad, however, where we have rejected this expression of the unequal status of women, the preference for a son continues to be demonstrated in the practice of ritually placing a male child in the lap of the bride soon after her arrival at her husband's home. Even when there are dozens of beautiful baby girls available."

He said that it was the women who take the lead in a ritual which reinforced their inferiority.

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CSO: 3298/205



# MILITARY PRESSURES INTENSIFY; AMNESTY POLITICALLY UNFEASIBLE

Buenos Aires EL PERIODISTA in Spanish 20-26 Mar 87 pp 6-7

[Article by Horacio Verbitsky]

[Text] The imminent disciplinary penalty to be imposed upon Maj Gen Domingo Antonio Bussi (retired) would be the first official response to the campaign critical of the conduct of the Army which he is heading. However, there is no great difference between Bussi and his archenemy, Gen Hector Luis Rios Erenu, chief of the General Staff, when it comes to escaping from the impasse in which the Armed Forces find themselves blocked in connection with the filthy war. All efforts are being focused on obtaining an amnesty. The problem is that Alfonsin knows that this would be the end of his political career, and Antonio Cafiero as well regards it as unthinkable.

The methods are as different as the temperaments and personal situations of each of the actors. But the common goal in search of which the Argentine military have pushed ahead is to win from the politicians an amnesty to whitewash the crimes committed during the filthy war. In fact, since the publication of the report of the Inte-American Commission on Human Rights of the Organization of American States in May of 1980, they have tried in vain to turn the page of horror without paying the price society demands. Will they have greater success now, after 3 years of publicity about the overwhelming episodes of the decade of the 70s have strengthened the awareness of the citizenry and the determination of the people to establish new foundations for coexistence?

Among the retired officers still at liberty, Bussi is the one heading the offensive targeting Rios Erenu, whom these officers want tried before a court of honor on charges of failure to defend Operation Independence. The Ministry of Defense is preparing to dismiss this demand and impose a penalty on the Tucuman Mussolini.

## The Heads of Rios and Arosa

But the greatest pressure behind this battering ram to be exerted since the sentencing of the former commanders is being brought to bear now. There is a strategic objective, which is amnesty, and a tactical objective, which involves having the heads of Rios Erenu and Vice Adm Ramon Antonio Arosa. The



most definite response has been that in recent days to Adm Juan Carlos Frias and Gen Eros Juan Cazes, the military advisers who were the inspiration for the document in which the Supreme Council put it down in black and white that anything goes in war, and only the vanquished are judged.

On Thursday, 12 March, LA NACION published that notable text. They also alleged that the democratic institutions are defenseless against subversive attacks, in the most explicit justification of the coup d'etat which has been perpetrated here since 1983. The Council cited the Frenchman Raymond Aron in an effort to excuse a civilized army for letting itself to be drawn into absolutely inhuman actions. To put an end to this, it was said in the words of the liberal thinker, it would be necessary to put an end to war. Under such conditions, what is important is not the juridical definition, but winning the war, the court said in summary.

This surprising justification of the law of the jungle was a part of a dilatory tactic which led the Council and the defenders of the various persons charged to request an order restraining the military courts from the various federal chambers. The chambers in Bahia Blanca, Cordoba and Rosario rejected this demand, and that in Rosario even used very harsh terms in describing the attitude of the Council as disrespectful and lacking in seriousness. What is being judged are not "deeds of war, but the possibility that there were crimes such as murders, rapes and torture," the Rosario chamber maintained. "The war is not the subject of specific analysis, and it is not the mastery of this art which is needed, but rather the science of law, in order to judge the crimes allegedly committed," it added.

However, it was only the response of the chamber in the capital which had immediate political repercussions. The court said that the justification of jurisdiction was meaningless, and it emphasized that the Council had set aside its status as an organ of justice and was seeking to delay and hinder the actions of the constitutional judges. In addition, the chamber turned to Alfonsin to decide if the members of the Council merited some penalty for failure to carry out the duties established in the Military Justice Code.

If the executive branch was annoyed by this gift given it without prior notice by the federal chamber, it was on the other hand not surprised by the content of the resolution which dismissed the issue of competence. That same Friday, 13 March, the Supreme Court ruled on "the manifestly illegal nature of the restraining order requested, which cannot serve to block the continuation of the actions, particularly because the provisions of Article 155, paragraph 2 of the Military Justice Code are solely applicable to valid jurisdictional challenges, and not to situations of conflict, in which Article 456 of the Criminal Procedures Code is applicable." And the Supreme Court ordered that the federal chambers dismiss and set aside "unjustified restraining orders, such as that issued by the Supreme Council in this case, and continue with the pursuit of the trials."

The court is usually in session on Tuesdays and Thursdays, ordinarily in the morning. On this occasion, however, it delivered its verdict after 8 pm on a Friday, so late that the journalists had already left the press room and Minister Carlos Santiago Fayt had to inform some editorial offices personally

so that the news would be reported in the daily newspapers on Saturday. In addition, Attorney General Juan Gauna was in constant touch with the ministers until a unanimous vote of the five was obtained.

But if the court saved the executive branch the time and effort the Supreme Council sought to demand of it, the federal chamber gave back to Alfonsín the initiative he did not want. The complex mechanisms of government decision-making then went into operation to clarify the instructions in which the minister of defense ordered the prosecutor "to oppose the development of questions of jurisdiction when they go against the postulates dictated by the law or jurisprudence or are patently irrelevant."

While Vice President Victor Martínez and a large part of the press maintained that what was being sought was a way of avoiding the resignation of the members of the Supreme Council, those close to the sources of power saw these instructions as the final blow which would precipitate the departure of these men who, as an ingenious radical jurist said, bemoan as lawyers what they could not defend as judges. With no cases to try, they are nothing but an annoyance of which Alfonsín wants to be free as soon as possible. Resignation, moreover, would release him from the need to make a decision on the petition of the federal chamber. As this edition goes to press, the Supreme Council seems to have learned about the situation and to be preparing to spring a new document on the country.

Its purpose, like that of almost all of the military actions thus far this month, would be to contribute to the confusion, the manipulation and the argumentative atmosphere needed in order to remove Ríos Erenu and Arosa, and to mount a more decisive onslaught against the political regime.

#### The War Continues

Last Thursday, an individual in fatigues and helmet, presumably an officer, appeared at the Plaza de Mayo at the time of the usual weekly march of the mothers, accompanied by a group of young people carrying posters. "Freedom for the heroes of the war against subversion! No more pinko trials! Freedom for those who liberated us!", they read. Hebe Bonafini followed them with a megaphone, to the accompaniment of the historic cry: "Cheats and cuckolds!" The group escaped onto the highway, followed by the demonstrators, but the provocation had succeeded. The camouflage uniform, helmet and boots had been bought in one of the stores that sells military surplus, but the photographs which appeared the capital dailies, which did not explain the circumstances, provided the desired picture of lack of control and discipline in the Army.

It is not that the contrary is entirely true, but there are extremes which have not yet been reached and which most probably will not be. In this connection, the most serious event, despite the official denial by the Army, was the deception of Gen Roberto Atilio Boccalandro at the Higher War School, when he explained that he too had stained his uniform in the filthy war. Capt Fernández Núñez then turned to Captain Catuzzi and commented "And with only one hand!", not loudly enough to constitute a retort to Boccalandro, but loud enough for the entire country to hear.

On 6 March, the Naval Center had said that what was at issue was the political trial of the Armed Forces as an institution, in an effort to weaken them in order to weaken the nation. On 17 March, the Military Circle pointed to the "young men who acted solely out of great patriotic fervor" during the filthy war.

It proclaimed that this was a just war and that the active and retired military personnel were closely united. The Circle announced that those who were sentenced or fled and who thus lost their military status will be retained as honorary colleagues because of the important services rendered to the nation. Curiously, both the Center and the Circle ended these seditious proclamations with admonishments to respect the constitutional order.

In order to obtain this statement from the Circle, pressure was exerted on its president, Peron's former commander in chief, Leandro Anaya. For days the retired officers refused to go to the headquarters at San Martin Square, and they made it known that they would continue meeting elsewhere unless the institution issued a statement.

Bussi led the maneuvers against his former Army subordinate, Rios Erenu, but in this he did not have allies within the government. Massera, on the other hand, who was working in Magdalena to get rid of Arosa, succeeded in winning Facundo Suarez in the SIDE over to his side. It was Rear Adm Guillermo Arguedas (retired) who drafted the dispatch published by the NOTICIAS ARGENTINAS agency following the rebellion of the six admirals, in which the removal of Arose was announced, as well as the later denial in which the chief of the General Staff of the Navy was represented as a radical from the very start. Arguedas paid for this with his exclusion from the SIDE. The splendid journalistic feature in LA NACION on Sunday the 15th, with its front page photograph of the visit paid by Arosa to those being held in Bahia Paraiso, must be viewed within the context of this new naval battle. Who alerted the doctrinal court? Friends of Arosa or Massera? That same day, fliers urging the removal of Arosa were circulated in the downtown streets of Bahia Blanca and Punta Alta.

On Friday, 13 March, the former commander of the Fourth Airborne Infantry Brigade in Cordoba, Juan Sasiain, and on Monday, 17 March, the former commander of the Third Corps, Luciano Menendez, refused to testify before the federal chamber, claiming that "This judicial process is the continuation of the revolutionary war through which our fatherland suffered" (Sasiain), and "These attacks on the constitution, traditions and reason can only be explained in the light of a subversive plan designed to destroy the Armed Forces, just as they are destroying education, church, the family, culture, the economy, and our international position, in order to leave our country isolated and morally and materially defenseless, in order to convert it to communism. I am convinced that the revolutionary war continues. What the subversives did not achieve with weapons they are seeking to achieve by turning to legality, with the intent of circumventing and violating it" (Menendez). To demonstrate that they are not alone, Menendez went to the court accompanied by the president of the Jockey Club, Nacho Escuti, and Sasiain quoted a famous saying by Ricardo Balbin during his testimony: "Those who have disappeared are dead." Everyone has the friends he deserves.

The generalissimos were not very original. They did nothing but repeat what had been said some days earlier in somewhat more expressive prose by the Falangist monthlu CABILDO in an issue carrying a photograph of Alfonsin standing with hands clasped in front of a bust of Lenin during his trip to the Soviet Union: "The Argentine experience added a new stage to those already known in the practice and theory of revolutionary war--the judicial stage, that of humiliation, isolation, total condemnation, exclusion. This was achieved through the combined action--voluntarily combined--of the judges and the mass media, which in a pincer movement depleted the spiritual and intellectual reserves of the men at arms and forced a social penalty from the public, in a manipulation orchestrated in the cultural centers of the left wing." In good things and in bad, Argentina is unique. It has just enriched humanity with a new stage in revolutionary warfare.

Faced with this attack by those who still resist the ending of the saddest period in the life of this country in this century, neither the government nor the opposition is considering the possibility of granting the dreamed of amnesty, which Leopoldo Bravo of San Juan and Raul Francisco Primatesta of Cordoba, two good friends of their friends, have urged publicly in recent days. They are not unaware in any case that the military defense based on the mummified concepts of the national security doctrine, without excluding even Rios and Arosa, who are already in check, does not augur calm days.

The Peronist Antonio Cafiero was not categorical, because that is not his style, but he was clear when he dismissed a military interlocutor with negative answers to the questions he was asked. In an electoral year, it is better not to talk about this subject. The government has an even narrower margin for going against the diffused but consistent sentiment in society in favor of justice. With the Final Point in December 1986, it did everything within its reach, and if it were to interfere with the process of justice now with a new legislative thunderbolt, it would sink again into a credibility crisis, from which it was only rescued by the unexpected hyperactivity of the federal chamber. The experts in military affairs to whom Alfonsin listens believe that with a hundred penalties, the stability of Rios and Arosa is threatened, and that the tension between the government and the military will be permanent. But they also maintain that if amnesty were granted, the generals would begin within 24 hours to express their views on the dollar rate and pornography, subjects which they dismissed some time ago in order to deal with more urgent matters, following a path which would lead to a new civil government arrangement. Their intention, then, is to exert steadily increasing pressure on the courts, so that neither the number of the defendants nor a review of their cases will result in an outcome they call intolerable.

Other officers are beginning to believe in a fantasy--that it is possible to manipulate the Supreme Court in such a way that the appeal in the Camps case will spread a generous umbrella over the young men who in their patriotic fervor tortured and executed defenseless prisoners, not for pleasure or out of greed, but to serve the fatherland and because an unnamed superior (for not a single individual has stood up to say he gave such an order) told them to. This was admitted to a group of journalists by a high official in the Ministry of Defense whose comrades affectionately call him Johnny Tolengo.



## The Oriente Mirror

On Tuesday, 17 March, the widows of Oriente legislators Zelmar Michelini and Hector Gutierrez Ruiz, who were kidnaped and murdered in Buenos Aires during the military government, announced at the headquarters of the Argentine CGT that a campaign is being launched here to collect signatures appealing for abrogation of the impunity law by means of a referendum. The head of the CGT Human Rights Secretariat, Ricardo Perez, accompanied Elisa Delle Piane de Michelini and Matilde Rodriguez de Gutierrez Ruiz and read a statement of solidarity. Following the press conference, they had this dialogue with EL PERIODISTA.

[Question] How did this campaign develop?

[Answer] Immediately after the impunity law was approved in December, a group of members of the families of those who have disappeared, with the support of some political and social sectors, appointed a national commission made up of leaders in all sectors for the purpose of collecting a half a million signatures appealing for recourse to a referendum which would allow a plebiscite to abrogate this law.

[Question] Does it matter where one resides?

[Answer] No. All that is needed is to sign a printed form.

[Question] How many Uruguayans are to be found there?

[Answer] There are no exact figures, but the estimate is about 300,000.

[Question] How is the collection of signatures being organized in Argentina?

[Answer] There are three temporary locations where the forms can be obtained. They are the Organization for Solidarity with the Exiles (OSEA) on the fourth floor at 119 Tacuari; the Peace and Justice Department, 479 Mexico; and Families of Those Arrested or Disappeared for Political Reasons, at 34 Riobamba. There will also be tables with Argentine and Uruguayan volunteers at the railroad terminals and central locations such as Congress Plaza and the Obelisk, as well as locations in Greater Buenos Aires.

[Question] What is your deadline?

[Answer] It is 22 December, a year after promulgation of the law. But we calculate that we can succeed within 3 or 4 months.

[Question] When the law was submitted to the parliament, Sanguinetti and Wilson Ferreira justified its approval with the statement that otherwise a new coup might occur. Does this risk exist?

[Answer] They said this before the vote was taken, but the day after, Sanguinetti said that there was no risk. Wilson replied that he had believed there was, or otherwise he would not have voted for it. Our assessment is that there is no such danger. If the military did not go to court to testify

it is because, unlike the situation in Argentina, no one forced them to. They hastened to approve a law to legalize the violation of legality. They were summoned to appear on Monday, but they approved the law on Sunday.

[Question] How do you view the situation in Argentina?

[Answer] It is very different. Here justice has been done, to a considerable extent, despite the understandable irritation caused by the Final Point law. The high level commanders have been tried, investigations have been pursued, and the trials continue. In Uruguay, on the other hand, impunity has been made the law.

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CSO:3348/258

## BRIEFS

'UCR-MILITARY PACT' CONDEMNED—The improvised presidential sermon on 2 April, responding to some generic denunciations made by the head of the military chaplaincy, Monsignor Jose Miguel Medina, provoked commentaries in the Sunday homilies delivered by a number of clergymen, some critical and others conciliatory, although the majority of them made no direct reference to what happened in the Stella Maris Chapel. The bishop of La Rioja, Monsignor Bernardo Witte, noted that "our public immorality" which "requires an urgent return to ethics and morality" is a warning signal. The prelate also said that "Today, when we are blinded by darkness, arrogance and weakness, when the omnipresent immorality is gaining strength in almost all sectors of public and private life, we need our sight returned to us." He explained that this is happening because "The blind cannot advise, direct or escort other blind people, or inevitably both succumb to the pitfalls." For his part, Presbyter Luis Sardi of Bahia Blanca, a regular contributor to the daily newspaper LA NUEVA PROVINCIA, openly defended what was preached by Monsignor Medina, terming it "not only courageous but also entirely timely, moderate and prudent." Sardi said that Medina's words "aroused an unusual and extreme response touching the sensibilities of those of us who profess the Catholic faith." He expressed the view that the military bishop "showed firmness and clarity, because confusion and error have been leading us farther from the path." Speaking of how Catholics were affected by what President Alfonsin said, Sardi noted that he remembered "the persecution which we have been suffering from 1983 to the present, since the events in the San Martin Theater, with its burden of blasphemy and irreverence, the malicious commentaries by a high national official, the slander against simple, humble priests, the tolerance of aggressive and hurtful undertakings and the financing of blasphemous performances in the worst taste with the funds of the people." Taking another tone, the bishop of Rio Gallegos, Monsignor Miguel Angel Aleman, commented that "Mankind is sick, because a profound egotism has penetrated our way of life and action, and on more than one occasion, the search for one's own interests or the triumph of one's own ideas over those of others has led to violence, misunderstanding, war and death." Like the others, this prelate pointed out that the pope's visit to Argentina could arouse other feelings in believers. "He will not bring us magic solutions to the social and economic problems which plague us, but his words will provide light which will help us to find the path and will give us new energy to make the sacrifices which following this path requires," he said. [Text] [Buenos Aires LA PRENSA in Spanish 6 Apr 87 p 10] 5157



CLERGY REACTION TO ALFONSIN'S SPEECH--The renewal Peronist candidate for the post of vice governor of Buenos Aires, Deputy Luis Macaya, has asserted that there is a "radical-military pact" with the goal of obtaining broad amnesty for those who committed serious violations of human rights during the preceding government. Macaya maintained, moreover, that the "military conduct of the earlier trial is currently locked in a golden cage, with an absolute guarantee of a happy end to the story." This legislator said that the "radical-military pact" was the reason that "Those really responsible for the devastation of the Argentine economy who used the Armed Forces as the pretorian guard of the multinational companies were left at liberty and concealed. It is no accident that individuals such as former ministers of economy and interior Alfredo Martinez de Hoz and Gen Albano Harguindeguy, respectively, and other military officers who were never put on trial, are at liberty," he added. He said that the Armed Forces have still not undergone a "real purge," while emphasizing that in his capacity as a member of the Defense Commission of the lower chamber, he noted that "The operational level of the Argentine military forces has declined substantially." Macaya maintained that this matter "places our national territory and the safeguarding of our sovereignty--tasks which, moreover, are the principle mission of the armed forces from the material point of view--in serious danger of lacking any defense." He also said that beyond the charges which could be filed against those who committed atrocious and aberrant deeds in the preceding period, the commissioned and noncommissioned officers as a whole "are not under the current circumstances being spared the profound crisis which the Argentine people are experiencing, further contributing to their deterioration." Macaya said that another evidence of the "radical-military pact" is seen in the "tolerance of the fact that the main effort in the current activity of the Armed Forces is to provide every support to the high ranking officers involved in serious violations of human rights by insisting on the nefarious national security doctrine. This is another of the causes of the crisis which the Armed Forces are experiencing," he added. He also noted that "3 and a half years after the installation of the constitutional government, the national defense law has still not been promulgated," and he added that "This is the only country in the world which has a hypothesis of peace in the military sector." [Text] [Buenos Aires AMBITO FINANCIERO in Spanish 6 Apr 87 p 12] 5157

CSO:3348/258

# TUC, WORKERS PARTY IN ACCOMMODATION WITH FNM; WORKERS WOOED

## Pact on TUC Candidacy

Nassau THE TRIBUNE in English 24 Mar 87 p 1

[Article by Athena Damianos]

[Text]

THE TRADE Union Congress has agreed to withdraw its candidate from Fort Charlotte in exchange for two Senate seats under an FNM Government, the TUC and Opposition announced this afternoon.

Under the accommodation, one of the senators also would be a parliamentary secretary.

And The TUC has urged all of its members and affiliates to "embrace the opportunity to vote FNM and to restore good government to our beloved country."

With the accord, the FNM can go into national convention on a high note tonight. TUC president Arlington Miller is expected to address the Convention on Friday night.

The TUC had announced that Keith Archer, president of the Communications and Public Officers Union, would be its candidate in Fort Charlotte based on an understanding it had with the FNM.

However, Arlington Butler, who had already been nominated as the FNM's man for Fort Charlotte, was not prepared to give up the candidacy. Mr Butler had the support of the FNM's Fort Charlotte branch.

In a show of statesmanship, the TUC has agreed to withdraw from Fort Charlotte.

It was announced today that the accord was reached because the FNM and TUC are:

- United in the opinion that the overriding imperative in the country is to rid the Bahamas of a corrupt Government that has brought shame and disgrace on the Bahamian people;

- United in the view that the only way this could be achieved is for those persons who are opposed to the PLP to join together and to give the Bahamian people a choice between a single united opposition and the corrupt PLP.

The TUC and FNM believe "that given the grave situation that faces the nation, all true sons and daughters of the Bahamas must be prepared to forego personal ambitions and put the interests of the country above any other interest," they said in a joint statement.

In this regard, both parties said they are pleased that Mr Archer, in agreeing not to offer for the Fort Charlotte nomination, has shown the magnanimity of spirit that makes him a super patriot.

"We believe that Mr Keith Archer, with the assistance of

the FNM, would have been elected by the good people of Fort Charlotte. His maturity in withdrawing from the contest in order to avoid the possibility of a three way contest there is indicative of the kind of sacrifice that only great men can make," the joint statement said.

"When Bahamian people would have defeated the corrupt PLP at the polls, a great debt of gratitude will be owed to Mr Archer.

"In consideration for the support that the TUC will give to the FNM in the general elections, when victory is achieved, two members of the Congress will be appointed to the Senate, one of whom will be a Parliamentary Secretary."

TUC secretary-general Leonard Archer said today that under the accommodation, the TUC will retain an independent voice in the Senate.

He said that the accommodation is not the same as the Memorandum of Understanding, which was reached between labour and the PLP in the early 70s and in which two labour leaders were elected to the House on a PLP ticket.

"That mistake will be avoided. It would not be a question of being under the party whip," he said.

Mr Archer added that both parties will respect each others right to take independent stands on issues.

The TUC said it is convinced that the leadership of the FNM were genuine in their attempts to effect the accommodation in Fort Charlotte.

The Tribune understands the FNM leader Kendal Isaacs, deputy leader Cecil Wallace Whitfield and treasurer Orville Turnquest favoured an accommodation with Labour in Fort Charlotte.

"However, the party's constitution did not allow the leadership to offer the nomination to a third party, particularly when a candidate had been duly nominated for the constituency.

Accommodation was offered to the TUC in constituencies where no formal nominations had been made, but the TUC felt that it was unable to accept the offers," the joint statement said.

The TUC and FNM reminded workers that having achieved the Government 20 years ago with the support of the workers, and having retained that support, "the PLP Government has done little to enhance the dignity of workers and to ensure them protection.

"It must therefore be obvious that the PLP Government does not support the cause of the workers and therefore workers have no reason to support the PLP," the joint statement said.

### Election 'Merger'

Nassau THE TRIBUNE in English 26 Mar 87 pp 1, 4

[Article by Alexis Wallace]

[Text]

**OVER 4,000 FNMs cheered lustily last night when it was announced that the Worker's Party had merged with the FNM "to win the General Elections."**

And in the first two nights of the convention \$50,000 was raised by phone-ins and from the convention floor for the FNM's election chest.

Last night Worker's Party Chairman Philip Miller announced that the Worker's Party had officially rejoined the FNM.

On Tuesday, the Trade Union Congress also withdrew its candidate from Fort Charlotte - in exchange for two Senate seats - and urged its members to support the FNM.

After last month's by-election in St Barnabas, Worker's party candidate, Rodney Moncur, who polled 56 votes and came second in the three-way election, called the Worker's Party the third political force in the country.

In Mr Miller's speech last night he said that all was not well in the country "...at the College of the Bahamas, at Bahamasair, the poisoned areas in Grand Bahama, certainly not in Cabinet, or Kemps Bay, St Agnes or Rolleville, Exuma."

Mr Miller said that the unification of opposition forces was the only way of effecting a positive change. He said that small opposition forces are easily infiltrated and manipulated by evil elements to be used against the FNM.

"It is a pleasure to say that the Workers Party is heading in the new direction," he said. "Our battle cry is 'L.O Gotta Go!'"

He said that when the Worker's Party made its decision for the FNM that position was non-negotiable and "no secret deal can encourage us to take this position or discourage us from holding this position."

Mr Miller implored "the other small opposition factions to recognise that there is one common enemy which calls for 'one' united opposition."

He said that if small opposition factions are not controlled by the forces of evil, "then they are challenged to consider the grave national crisis, bow to good sense and join this united opposition to fight these vile forces in the most effective way possible."

"These remarks are not only intended for small opposition factions, but also for individual citizens, who by law have the right to nominate as a candidate for any election."

"It is strongly suspected that certain individuals will contest the General Election as independents, for various reasons. Whatever the reason these individuals are implored to recognise that there is one common enemy which calls for one united opposition."

"When we in the Worker's Party say 'It's time for a

change!" that position is non-negotiable," said Mr Miller. "No secret deal can encourage us to take this position and no secret deal can discourage us from holding this position."

"Unfortunately, other small opposition factions do not share the Workers Party view, that the FNM is a fortress of integrity, a party of good hope and an able team, destined for victory."

Mr Miller said that as a small opposition faction the Worker's Party easily concluded that since the FNM is the major opposition party, "we are bound to commit ourselves, unconditionally to majority rule so as to give the forces of evil no escape route."

"The danger in not affiliating with the FNM is that we could easily become mindless fuel for the foolish propagandist of the evil forces," he said.

"While we attack wicked dictatorial tendencies, we could

easily become the puppets of that very dictator, as he seeks to avoid the issues of corruption, drug smuggling and down right thievery.

"Small opposition forces can be infiltrated easily by evil elements and ideas and then used to score cheap points against the FNM."

Mr Miller said that slick talking agents of corruption are everywhere, pushing lies for the truth and stirring up strife and confusion. "Some of these agents are known for disagreeing with everyone.

"They disagree with the Commission of Inquiry, with Bishop Gomez, with Baptist Leaders, with Trade Unionists, with the U.S Government and even with Loftus Roker, now, suddenly they are agreeing with a disgruntled FNM."

Mr Miller said that this is the kind of mischief-making that must be minimised if not completely eradicated in the Op-

position.

"Leaders of small opposition factions are vulnerable because they do not know who has set up whom, to persuade them to take a particular course of action," he said.

"Every little difference of opinion between the FNM and the small opposition factions will be blown out of proportion by the forces of evil."

"The corrupters are making it very easy now for small opposition factions to have access to the controlled media. So long as there is something negative to say about the FNM," he said.

"We in the Worker's Party are determined to minimise this mischief by forming an enduring union with this great free national movement."

"We are not going to allow ourselves to be manipulated by the filthy claws of corruption...and this is why we are here tonight," Mr Miller said.

#### TUC Leader at FNM Convention

Nassau THE TRIBUNE in English 28 Mar 87 p 1

[Article by Anthony Forbes]

[Text]

THE PLP Government must suffer the same fate as the UBP Government did in 1967, for "selfishly, secretly and corruptly" accepting money from the Grand Bahama Port Authority; known drug smugglers and Mafia figures, TUC Leader Arlington Miller declared last night.

Mr Miller said that the Trade Union Congress is supporting the Free National Movement in this year's general election because the PLP Government has used the workers and treated their needs with contempt for the past 20 years.

Mr Miller said the TUC is convinced that an FNM Government, working with the TUC, will address the needs of the workers which have been neglected by the "corrupt" PLP Government.

Addressing the closing session of the FNM's four-day "Victory" convention at the Poinciana Arena, Mr Miller charged that under the PLP Government, workers have been abused and victimized and have very little for which to be grateful to the Prime Minister and the PLP.

Mr Miller, who is also President of the Bahamas Public Services Union, was enthusiastically received by the 6,000-plus supporters attending the last night of the party's election-year convention.

The TUC Leader spoke after Official Opposition Leader Kendal Isaacs had announced that the FNM had "officially and politically embraced" labour in the Bahamas.

Before launching into his hard-hitting address, Mr Miller

asked the crowd to stand, hold hands and sing, "Reach out and touch somebody's hand, make this world a better place if you can."

Mr Miller also introduced the group of labour leaders who accompanied him to the convention.

In addition to asking for a reduction in unemployment to be the first priority of an FNM Government, Mr Miller called for a proper national health care system.

He also called for the rapid development of the Family Islands and the introduction of Local Government in the Family Islands as an important vehicle for accelerated growth there.

He said that the TUC also believes that low cost, affordable housing must be a priority for the new FNM Gov-

ernment, and the means must be found to ensure that even the poorest Bahamian is adequately housed.

Mr Miller said the TUC is pleased that the FNM has committed itself to assist trade unions and others to provide day care centres to assist young working families, which will convince the working people that the FNM is serious about the needs of the workers.

He said that the TUC accepts on behalf of the workers, the FNM's pledge that it will abolish real property tax for owner-occupied homes, which has long been the TUC's position.

Mr Miller said that the TUC took the decision to support the FNM in the coming general elections because it is convinced that the PLP Government is corrupt and that the country needs to move in a new direction.

"We took this decision because for 20 years, the Progressive Liberal Party Government has used the workers of this country and treated the needs of the workers with contempt," Mr Miller said. "We say that it is time for this to change."

"We took this decision because we believe that a Free National Movement Government, working with the Trade Union Congress will address the needs of the workers that have been neglected for these many years," he said.

He noted that 20 years ago, the people of the Bahamas had to make a moral and political choice.

"Members of the UBP Gov-

ernment had abused their sacred trust to the Bahamian people and had selfishly, secretly and corruptly accepted money from the Grand Bahama Port Authority," he said.

"For this, and other transgressions, the people voted the UBP Government out of office," he said.

Mr Miller told the convention that sadly, 20 years later, the Bahamian people must once again make the same kind of moral and political choice.

"According to the Commission of Inquiry Report, some members of the PLP Government, have also selfishly, secretly and corruptly accepted money from the Grand Bahama Port Authority, from known drug smugglers and from Mafia figures," he said.

"Therefore, the PLP Government must suffer the same fate at the polls that the UBP suffered, whenever the general elections are called," Mr Miller said.

He said that the TUC cannot accept the false arguments advanced by some people that the PLP is the only party capable of governing this country, or that Sir Lynden Pindling is the only Bahamian capable of being Prime Minister.

"If this were true, then to paraphrase the words of St Paul the Apostle, if only in Sir Lynden and the PLP we have hope, we are of all nations, most miserable," he said.

"We in the TUC believe that the FNM is admirably capable of governing this country, and that the Leader, the Honourable Kendal G L Isaacs,

is eminently qualified to be our next Prime Minister," he said. "And by the help of God and the good honest citizens of the Bahamas, he will be."

Mr Miller said that one of the first priorities of the new FNM Government must of necessity be the reduction in the number of persons, especially young persons, who are unemployed.

"We realize that there are no easy solutions to this problem, but we recognize that if solutions are to be found, then the three social partners, the Government, the business sector (or employers) and the trade union movement, through its umbrella organisation, the Trade Union Congress, must work together to find those solutions," he said.

"We in the labour movement believe fervently in this tripartite or tri-sector approach to problem solving, and we urge the FNM to adopt it as a fundamental approach to problem solving in other areas of the country," he said.

"The TUC subscribes to the view that good industrial relations are necessary for the orderly development of our economy, and that this objective is attainable if labour is treated as a full and equal social partner," he said.

Mr Miller said that the labour movement is not "amused" by the Prime Minister's claim that the PLP is the party for the workers of this country.

"Under the PLP Government, workers have been abused and victimized and have very little for which to be grateful to the Prime Minister and the PLP," he said.



## FNM Embrace of Workers

Nassau THE TRIBUNE in English 28 Mar 87 pp 1, 8

[Article by Anthony Forbes]

[Text]

**THE Free National Movement has officially and politically embraced the country's trade union movement, whose support it needs to become the next Government. Official Opposition Leader Kendal Isaacs, told over 6,000 wildly-cheering supporters last night.**

Delivering the principal address on the closing night of the party's four-day "Victory" convention at a packed Poinciana Arena, Mr Isaacs promised that an FNM Government will repay the labour movement's support with honest administration and keeping its commitment to the Bahamian people.

The FNM Leader's address was made in the presence of trade union leaders, including Arlington Miller, President of the Trade Union Congress and the Bahamas Public Services Union; Leonard Archer, TUC Secretary General; Hurie Bodye, TUC First Vice President; Donald Symonette, Teachers Union President; Franklyn Clarke, Bacardi Union President; H H Minnis, Construction Union President and Obed Pinder, a Freeport union leader.

Conspicuously absent was Mr Keith Archer, TUC Second Vice President and President of the powerful Bahamas Communications and Public Officers Union, who had been named as the TUC's candidate in Fort Charlotte but was withdrawn following negotiations with the FNM.

Mr Samuel Mitchell, President of the Bahamas Electrical Workers Union, which staged a Christmas strike last December, arrived later as TUC President Arlington Miller was delivering his address.

Introduced by party Secretary General L Garth Wright, Mr Isaacs was escorted to the podium by Members of Parliament and Senators while the thousands of supporters who filled every seat and crammed the walkways, erupted in loud applause that lasted nearly 10 minutes.

In his 13-page address, Mr Isaacs also said that there will be an "Honourable" Prime Minister, Ministers of Government, Members of Parliament and "incorruptible" civil servants in an FNM Government.

He assured them that under an FNM Government no investor will need fear that he must pay over the counter for the registration of his company and the operating licence of the company and then pay again under the counter for dubious protection.

Mr Isaacs confirmed the commitment made by Deputy Leader Cecil Wallace-Whitfield on the opening night of the convention that real property tax will be abolished to give relief to thousands of Bahamian families struggling to maintain a roof over their heads.

On the drug situation, Mr Isaacs promised that an FNM Government will not rest until it rids the Bahamas of dangerous drugs and those who have knowingly facilitated this menace.

"The Free National Movement today stands in one of the strongest and most advantageous positions in the history of our great party," Mr Isaacs told the jubilant, pom-pom waving crowd.

"We stand in that position largely because of the devotion and dedication of all our sup-

porters throughout this land, and in recent times that position has been strengthened even more by the multitude of calamities which have occurred in the governing party of this nation," he said.

"We are not languishing in those calamities, because ultimately they affect the lives of the Bahamian people, but we do glory in the opportunity to demonstrate to the people of the Bahamas our ability to rid this country of these calamities and usher in an administration under which the Bahamas need never fear any relapse into these social and political diseases," the Opposition Leader said.

Speaking to the last opposition convention before the coming general elections, Mr Isaacs told the crowd that veteran labour leader Sir Randol Fawkes was right when he recently reminded the Bahamian people that in January, 1967, it was the single labour vote in parliament that helped to bring the Progressive Liberal Party to power.

Mr Isaacs said that as far back as 1958, when the general strike took place, it was political affinity which aided the workers in their struggle.

The Opposition Leader said that it was political affinity with labour which sustained the PLP Government in power during the early years.

"Labour has always cried out for official recognition in the Bahamas," Mr Isaacs said. "Labour is the people and the people are the workers."

He noted that the FNM has consistently maintained that labour and political organisations such as the FNM should have a sensible relationship, but not a political tie.

"Yet the FNM is a party of progressive thinking and practical admissions and accommodations," he said.

Mr Isaacs told the convention that the Trade Union Congress came to the FNM and said that they expected such a political accommodation.

"They represent a substantial percentage of the working people of this country, and so we would have been unwise not to listen to what they were saying," Mr Isaacs said. "They were saying, 'let's do it for the hard-working people'."

"They were tired of depending on the fruitless efforts of some of their leaders who had gone to the PLP, had negotiated nominations, had won seats, and somehow since that time their voices were not heard raised for the hard-working people of this land," he said.

"Politics had made strange bedfellows of them, and so labour still remained and remains desperately unrepresented in the halls of parliament in this country," Mr Isaacs said.

"And so the Free National Movement has officially and politically embraced labour in the Bahamas," he said. "It is an embrace which must never be misunderstood."

"The Ministry of Labour in the Government of the Free National Movement will always exist as an arbitration authority in this country, but we cannot arbitrate if we are not the Government, and we need the political support of labour if we are to become the Government," he said.

"We have been promised that support, and we appreciate that promise," he said. "In return, we, as a Government, will repay it with honest administration and by keeping our word on every single plank of our commitment to the Bahamian people."

Mr Isaacs then confirmed the commitment made Tuesday evening by his deputy, Mr Whitfield, MP for Pine Ridge, Grand Bahama, in connection with the real property tax.

"The abolition of this tax will give relief to thousands of Bahamian workers who are struggling to maintain a roof over the heads of their families," Mr Isaacs said. "We believe that with expert administration and efficient financial management this can be achieved."

Turning to the economic affairs, Mr Isaacs who also has Shadow responsibility for Finance, charged that the country is not "ticking economically" regardless of what the Prime Minister/Minister of Finance says, and regardless of the "grandiose extent" to which the PLP Government goes to convince Bahamians and the outside world that all is economically well.

"All is not well, my Bahamian brothers and sisters," he said. "All has not been well for some time now, and if anyone doubts that statement he simply has to look about him and see the number of Bahamians who are employable, but who cannot find jobs in this country."

Mr Isaacs said that the economic problems of the Bahamas have a very simple and understandable basis - lack of confidence.

"As a country with no natural resources we constantly require sustenance from outside sources such as tourism and industrial investment," he said. "The present economy and its rate of growth cannot achieve the reasonable standard of living to which all our people have aspired."

"The problem is with investment, both local and outside investment, and many investors simply will not come so long as the present administra-

tion is in power in the Bahamas," the Opposition Leader said.

He said that the solution to the problem is simply that investors will return to the Bahamas under a Government of the FNM because it has demonstrated and documented in its declaration of commitment to the country a resolute philosophy.

"Under our Government no investor will need fear that he must pay over the counter for the registration of his company and the operating licence, and then pay again under the counter for dubious protection," Mr Isaacs said.

"Let that go on the record of the Free National Movement. An Honourable Prime Minister, Honourable Ministers of Government, Honourable Members of Parliament, incorruptible civil servants," he said.

"That will be the order of the day in a Government of the Free National Movement," he said. "I promise you that, and I will deliver that, with the help of almighty God."

On the issue of drug trafficking and abuse, the Opposition Leader said that the FNM is not willing to stand by and watch the nation crucified on a cross of drug addiction and drug abuse.

He charged that for the past eight years, the PLP Government has allowed the country to descend to the depths of drug addiction, drug trafficking, drug abuse, drug smuggling and death by drugs.

"You need not take my word for that - it's in the report of the Commission of Inquiry about which Evangelist Major spoke so eloquently last evening," he said.

"You see, you cannot tell the people that they should not take dangerous drugs, but on the other hand accommodate the men who are supplying those



dangerous drugs. Yet we know that has been done. It's in the book," Mr Isaacs said.

"You cannot be described by the Commission of Inquiry as having fronted for a Mafia figure, for an admitted drug smuggler and then come and tell people whose kids have died from drugs to vote for you. But that is being done. It's in the book," he said.

"You cannot spend eight times more than you have earned, and admit to unidentified deposits to your account, and expect the people to believe that something peculiar has not happened. Yet that is what has happened. It's in the book," Mr Isaacs said.

"With this Government of the PLP, my friends, there are far too many things in the book," Mr Isaacs said. "There is too much incontrovertible evidence that this Government, its leaders, its Ministers, some of its parliamentarians, and some of its supporters have been heavily weighed in the balances

and have been found horribly wanting. It's in the book."

Mr Isaacs urged the crowd to read The Miami Herald's special supplement called "A Nation For Sale."

He also asked them to listen to the recording of NBC News Correspondent Brian Ross on how some members of Government have been paid to look the other way while children of this country were being slaughtered by dangerous drugs.

"It's all in the book, my Bahamian brothers and sisters," he said. "It's there to be read by you and me today. It's there to be read by the next generation of Bahamians."

"Dangerous drugs have endangered the face of our fair Bahamaland, and the Free National Movement will not rest until we rid our nation of dangerous drugs and those who have knowingly facilitated this menace," the Opposition Leader pledged.

/9317

CSO: 3298/200

# HANNA TOLD TO CUT TIES TO INGRAHAM OR FORFEIT NOMINATION

Nassau THE TRIBUNE in English 28 Mar 87 p 1

[Article by Athena Damianos]

[Text]

FORMER DEPUTY Prime Minister Arthur Hanna has been warned that if he wants a PLP nomination, he must disassociate himself from Cooper's Town MP Hubert Ingraham, Mr Ingraham said in the House of Assembly Thursday.

Mr Ingraham, laughing loudly as he made the remark, said that Mr Hanna had been warned and so he would not presume to talk for Mr Hanna anymore.

He said that the condition was communicated to Mr Hanna by the PLP in writing.

Mr Hanna said that it did not go quite like that.

During his address, Mr Ingraham told the "PLP ship" to carry on straight ahead - like the Titanic.

One of the most senior PLP MPs, Mr Hanna, along with Centreville MP Perry Christie, has not been nominated, although all of the 47 other candidates were named about two months ago.

Mr Hanna handed in his protest resignation to Cabinet on October 8, 1984 following disclosures of widespread Gov-

ernment corruption before a Commission of Inquiry appointed to investigate drug trafficking.

It is understood that PLP chairman Sean McWeeney wrote to Mr Hanna to voice the concerns of PLP Council members.

Among the concerns listed were:

- Mr Hanna's continuing association with Mr Ingraham;
- Whether or not Mr Hanna continues to support the leadership of the PLP and of the Government in Parliament, and;
- Whether or not he wants to be a PLP candidate.

Mr Ingraham and Mr Christie had planned to resign from Cabinet, but were fired by Prime Minister Pindling October 8, 1984 - the day Mr Hanna resigned. Sir Lynden pre-empted them to soften the impact of their resignations.

On Wednesday, Deputy Prime Minister Clement Maynard claimed in the House that Mr Hanna is a PLP member "in good standing." Mr Hanna looked amused.

On February 7, Mr Hanna wrote to Mr McWeeney, saying

that Sir Lynden should be ashamed of himself.

He said that Sir Lynden had been manoeuvring behind the scenes to have him rejected as a PLP candidate.

"Having recommended me through the candidate's committee, Mr Pindling has apparently arranged to have his supporters, who are many in Council, seek to humiliate me before the Council and the public," he wrote.

"It is clear that the intention is to reject me finally. This is harsh and unconscionable. Mr Pindling should be ashamed of himself!"

On Wednesday, Mr Hanna said that Sir Lynden has gerrymandered his Ann's Town constituency just to get at him.

He branded the boundary cutting as disgraceful because it separates people who have been together for the past 25 years. He also welcomed those who would be affected by voter transfers into his constituency.

Mr Hanna accused Government of presenting the information to the Boundaries Commission one day and then telling them to make their report the following day.

/9317

CSQ: 3298/200

PINDLING AT PLP RALLY REJECTS PRESSURE FROM OUTSIDE

Nassau THE TRIBUNE in English 10 Apr 87 p LB

[Article by Alexis Wallace]

[Text]

THE BAHAMAS has been free too long from colonialism to allow outsiders or "somebody else's capitol" to tell us what to do, said Prime Minister Pindling last night.

"We have got to show the world, that as far as this little country goes we may be small, we may be black but, we are gonna decide what is best for our country," he said.

The Prime Minister's remarks came a day after American Ambassador Carol Boyd Hallet said that National Security Minister Loftus Roker had misled the public on a number of issues about US/Bahamas anti-drug efforts. Mr Roker had made his statement at a news conference last Thursday.

Sir Lynden was among PLP parliamentarians addressing a crowd of slightly over 1,000 at the opening of the PLP Yamacraw Headquarters on Wednesday rally held in Nassau since the Grand Bahama Convention.

At the rally Sir Lynden strongly urged his audience to make certain that they had registered to vote and had had themselves 'transferred' into the proper constituency. There was still no word on the election date.

Sir Lynden was angered last night over what he called outside influence (perhaps by another country) and sent a clear message to that influence.

"When they want somebody to push around don't look in our direction. Look for Isaacs and Turnquest, don't look for us. We will stand up for our Bahamas. We will talk for our rights as we see in our own country and it doesn't matter who say we should do it as they say," he said.

"You know how long it's been since we been a colony? Do you know how long it's been since we stopped taking orders from somebody else's capital?"

"You know being friends is one thing but, my friends, no matter how close you and your buddy are, you don't want him comin' in your house and gettin' in you and you wife business," said the Prime Minister.

"It's very simple, it's no new feeling, no new story, no new philosophy, it's the story of life a man's house is his castle. He determines what goes on in there.

"And I say no friend, no matter how well intentioned, can come inside your house and

set you and your wife at each other, that can't happen and that won't happen and there is no friend who knows better than the husband and wife," said Sir Lynden.

"Now that is not to say, that we should't listen to what our friends say, on the porch. But, if he is a real friend he'll say LO, look here man, come here a minute and I'll say yeah?

"He'll say I think you carryin' this thing a little wrong, that ain't the way to handle it and I might listen. I'll say okay man let's sit down on the step here then and let's talk, and see what we could do.

"But now, when the fellow leave me on the step and go inside and talk to my wife, boy I gone for my cutlass." The crowd once again squealed with laughter.

"In the next few weeks a lot of things are going to be revealed, because we tired of people makin' up lies on us and we are going to tell the story the way it is."

"We don't care who it hurts," he said. "Because our final responsibility is to protect our house. In the final analysis, it's the Bahamian people who will have to decide, based on the Bahamian experience. They

are the ones who are gonna have to live with it and live after it."

"You see when your friend gone home you and your wife still left in your house. So after he done gone home, what you gonna do?"

"The moment you throw your wife out the house or your wife throw you out of the house, you can't sell the house and then you nor your wife get house. No, no, no!" said Sir Lynden. "I think we gotta watch this."

Sir Lynden called the PLP Grand Bahama campaign a grand success.

"While we were in Grand Bahama another team was in the north and another team was in the south.

"Inagua and in Mayaguana, and Acklins and Crooked Island and the same report comes from the south as we are able to hear from the north they tell me the biters of the crabs are so itchy." The crowd squawked and squealed.

"Comin' out of church the pastor was shakin' my hand," said Sir Lynden. "Before he let my hand go, he say 'Prime Minister...don't wait too long.' I say, yes sir."

Sir Lynden said that the damage done in Grand Bahama on his last political campaign there was so great "that I

would not be surprised if they had to go up there and hold they own Convention in Grand Bahama."

The FNM announced at its Nassau convention last month that a convention would be held in Grand Bahama from April 22 to 24th.

"You should have seen that fellow name D'Arcy Ryan face, he couldn't believe it, he take out he camera, he put it to his eye; he put it down.

"That's the fellow who call down to Nassau Friday and say that on Thursday night, when the Convention open we only had 700 people. He must be just stop countin' at 700."

The Prime Minister turned his attention to Yamacraw. "Here in Yamacraw, well something gonna stick in somebody craw this time. Yamacraw I just want you all to get ready 'cause you gotta come home too, you gotta come aboard too.

"There's space on board for you it might be a little piece up in the bow, or it might be a little bit down in the hold, I ain't sure where yet."

"The chairman is going to be making an announcement soon, one of these days and we are going to see how ready you are," said the Prime Minister. "He will be calling on you to do one or two things."

/9317

CSO: 3298/200

TV ACCUSED OF OMITTING KEY PORTIONS OF NBC DRUGS REPORT

Nassau THE TRIBUNE in English 24 Mar 87 p 1

[Text]

ZNS TV's March 19th coverage of an NBC report focusing on drugs and corruption in the Bahamas has come under sharp criticism from members of the public.

The Government-controlled ZNS deleted whole sections of the NBC report, which was broadcast March 18 with a follow-up the next morning, focusing on those aspects favourable to Government.

For instance, the following was observed:

- The ZNS report began with NBC's Brian Ross questioning former opposition leader Norman Solomon about whether the US Government knew about drug trafficking from Norman's Cay and what that meant concerning the US commitment to fighting drugs.

The ZNS report, however, omitted what Mr Solomon had first said, ie, that he had informed the Bahamian authorities and that the Baha-

mian authorities had to have known about Norman's Cay, but did nothing.

- In replaying the NBC interview with US Customs pilot Roger Garland, ZNS deleted his statement that about 90 per cent of the drugs coming into the US pass through the Bahamas.

- In replaying the exchange between Garland and ex-drug trafficker Luis "Kojak" Garcia, ZNS ended the exchange with Garland stating that there was substantial cooperation between the US and Bahamas. Garland advised the public of the difficulty in patrolling the Bahamas.

The NBC report had, in fact, gone on to quote Garcia, who spoke about the continuing corruption in the Bahamas which facilitated drug trafficking. Garcia said that the fact that 90 per cent of the drugs are still passing through the Bahamas speaks for itself. ZNS did not replay these remarks.

/9317

CSO: 3298/200

# DRUGS ALLEGATIONS, POLITICAL EXCHANGES INTERTWINED

## Ingraham on Pindling 'Lies'

Nassau THE TRIBUNE in English 31 Mar 87 p 1

[Article by Anthony Forbes]

[Text]

PRIME Minister Sir Lynden Pindling "lied" to US President Ronald Reagan in a 1983 letter denying that any member of the Bahamas Government was involved in drug trafficking, former Cabinet Minister Hubert Ingraham charged last night.

The Cooper's Town MP told the House of Assembly that the Commission of Inquiry report later linked two Government MP's, who were Cabinet Ministers at the time the letter was written, to drug traffickers.

Mr Ingraham said that if the Prime Minister did not know at that time of the involvement of two of his Cabinet Ministers, he should have later written a follow-up letter to President Reagan, especially since the Government had accepted the Commission's report.

The Commission of Inquiry found that St Agnes MP Kendal Nottage, former Minister of Youth, Sports and Community Affairs, and Rolleville MP George Smith, former Minister of Agriculture, Fisheries and Local Government, had links to drug traffickers.

The Commission found that Mr Nottage "fronted" for drug trafficker Salvatore Michael Caruana, a member of the

Boston Mafia, and that Mr Smith "corruptly" accepted bribes from known drug trafficker, Edward Ward who once operated out of Norman's Cay.

Both Mr Nottage and Mr Smith resigned from the Cabinet on October 8, 1984, two months before the Commission reported.

Mr Smith was later charged before the courts with bribery but freed after Mr Ward was unable to identify him as the man to whom he passed the \$100,000 bribe.

Mr Ingraham, who with former Tourism Minister Perry Christie, was fired on the day Mr Nottage and Mr Smith resigned, was debating a bill for an Act to clarify the date of the coming into operation of the Tracing and Forfeiture of Proceeds of Drug Trafficking Act, 1986.

Mr Ingraham said Government has not brought the act into force yet; has staked its credibility on it and has sought to convince the American Government about it.

He said that when the US Government was about to certify the Bahamas, it was told that there was a drug act in force in the Bahamas.

"The US Government, the best friend we have got in the developed world, must be tired of us saying one thing and doing another," Mr Ingraham told the House.

Mr Ingraham told the House that the letter the Attorney General had read, which was written by the Prime Minister to US President Reagan after the 1983 NBC broadcast that triggered the Commission of Inquiry, was untrue.

Mr Ingraham apologised for being a member of the Cabinet at the time the letter was written.

FNM Deputy Leader Cecil Wallace-Whitfield rose on a point of order and asked whether the letter could be laid on the table of the House for all members to see.

House Leader/Deputy Prime Minister Clement Maynard said that he had no reply to Mr Whitfield's request and that he had to find out what Mr Ingraham was talking about.

Mr Ingraham said that in September, 1983, the Government tabled a letter which the Prime Minister had written to President Reagan.

Mr Ingraham said that in the letter, the Prime Minister was



telling the American Government that no member of the Bahamian Government was involved in drug trafficking.

"If the Prime Minister did not know at that time of the involvement of two members of the Cabinet, a follow-up letter should have been sent, especially as Government had accepted the Commission of Inquiry Report," Mr Ingraham said.

Mr Ingraham noted that President Reagan's letter of reply did not "say one word" about the innocence of the Bahamian Government and only asked for cooperation in fighting the drug problem.

The Cooper's Town MP also criticized the "absolute arrogance and contempt" shown parliament by the Prime Minister in moving the bill to clarify the coming into force of the new drug law.

"There is no hiding place in the middle of a desert, whether it is a desert of corruption or otherwise," Mr Ingraham said.

He said that the Prime Minister moved the bill "matter-of-factly" without giving any reasons.

"A Government which is serious about drug trafficking would have walked the bill through every stage until it became law," he said.

He said that nobody knew what the laws of the Bahamas were except the "good Magistrate who was unfortunately maligned."

"It seems as if the Government is shell-shocked," Mr Ingraham said. "While their silence on these matters is deafening, my words are having effect."

Mr Ingraham said that the Islander Hotel, which Mr Notage claims to own, is owned by Boston Mafia figure Salvatore Caruana, according to the Commission of Inquiry.

He said that when disputes arose among drug traffickers, Caruana was called in to settle

them and for his assistance received \$1 million.

He said that it is against that kind of background that one must view the non coming into force of the drug bill.

He questioned whether it was not a carefully conceived plan designed and calculated to fool the public.

Mr Maynard rose on a point of order and stated that the Prime Minister had told the House that it was an oversight and an error.

Mr Ingraham said Government has not been serious about drug trafficking and that a recommendation by the Commission of Inquiry about confiscated drug planes has been ignored.

He said that it must be a shame to have the Nassau International Airport littered with confiscated aircraft.

At that point, Mr Maynard moved for the closure of the debate.

## Official 'Sabotage' of Drug Bill

Nassau THE TRIBUNE in English 1 Apr 87 p 4

[Article by Anthony Forbes]

[Text]

THE Tracing and Forfeiture of Proceeds of Drug Trafficking Act, 1986, was "deliberately sabotaged" by Prime Minister Sir Lynden Pindling and Attorney General Paul Adderley for political motives, Cooper's Town MP Hubert Ingraham, charged Monday in the House.

Mr Ingraham, a former Minister of Housing and National Insurance, further charged that it is not "beyond the realm of possibilities" that Minister of National Security Loftus Roker was "deliberately set up" by his arch political enemy, the Attorney General.

The outspoken parliamentarian was debating a bill for an Act to amend the Criminal Procedure Code, 1968, and to clarify the date of the coming

into operation of the Tracing and Forfeiture of Proceeds of Drug Trafficking Act, 1986.

The Government is seeking to clarify the date of the coming into effect of the new drug law following a Supreme Court ruling this month that the law was not in force on January 6 when Chief Magistrate George Van Sertima sentenced two Haitian men to six months in prison for possession of several pounds of cocaine with intent to supply.

National Security Minister Roker had accused the Chief Magistrate of ignoring the law. Mr Roker pointed out that the new drug bill was now law and one of its provisions was that one year imprisonment be the minimum mandatory sentence for such a conviction.

The Attorney General asked

the Supreme Court to review the sentence, but Senior Judge Sir Dennis Malone ruled that the law was not in force at the time.

Mr Ingraham, whose address was cut off when House Leader/Deputy Prime Minister Clement Maynard moved for the closure of the debate at 7pm, dismissed the Prime Minister's claim that the mix-up was an "oversight" and an "error."

Mr Ingraham said that the only two Ministers charged with the "diabolical plot" or "gross incompetence" over the bill was the Prime Minister and the Attorney General.

He said Government was not serious about the bill when not one single Government member had spoken on the matter.



Mr Maynard pointed out that former Deputy Prime Minister Arthur Hanna, MP for Ann's Town, and former Tourism Minister Perry Christie, MP for Centreville, had spoken.

However, Mr Ingraham said that not one of the nominated PLP in the House had spoken on the matter.

"Such a serious matter does not seem to prick the conscience of nominated PLP's in this place," he commented. "They seem to be indifferent to this sabotage."

"One of the reasons why a compromised Prime Minister is dangerous to a society and to a system is because you never know what motivates him," Mr Ingraham told the House.

He noted that the Minister of National Security was "conspicuously absent" during the debate on the bill to clarify the coming into operation of the new drug law.

"This is supposed to be his crowning glory of his political career before he takes his seat outside this place because of his opposition to a corrupt few," Mr Ingraham said.

He noted that after a most "eloquent speech" by Montagu MP Orville Turnquest, the FNM Shadow Attorney General yesterday morning, the House Leader abruptly suspended parliament for the Government to consider the criticisms made by House members.

"Apart from the fact that this bill was deliberately sabotaged for political motives and reasons, it is worthy of consideration," he said.

Mr Ingraham told parliament that he considered a notice given by Mr Maynard that the debate would be closed at 7pm was a threat and that the House Leader was under "heavy orders and heavy manners."

He said that Government has resorted to the exercise of "brute force or power" to have its way.

He said that it is regrettable that Government, which consists of 32 members in parliament, is unable to stand up and give the Bahamian people a

good debate.

"What is it that the Government finds so indefensible?" the Cooper's Town MP asked.

Mr Maynard replied that Government has been accused of not proceeding expeditiously to bring the law into effect and he is doing everything within his power to make certain that it is on the books as an effective law controlling the trafficking of drugs.

Mr Ingraham said he accepts Mr Maynard's statement and that he is concerned about drug trafficking, but the reality is that those charged with the responsibility for the law - the Prime Minister and the Attorney General - are playing games.

He accused the Prime Minister and Attorney General of "frustrating" the legitimate will of both houses of parliament.

He said he had no difficulty accepting what the House Leader had said because he knows of the monumental task of getting the law on the books.

He said that the drug bill came about as a result of the single-mindedness of the Minister of National Security, his unbending position to rid the country of drugs and his uncompromising attitude in the cabinet on the matter.

He said the drug bill was born out of that kind of attitude and members ought to be justifiably angry and annoyed at the circumstances in which the bill was not brought into force.

However, he said that House members are not any more surprised than the Minister of National security, who has ended up in a most embarrassing position than any member of the Cabinet could find himself.

He noted that the Minister had accused a Magistrate of frustrating the will of parliament by refusing to give the minimum sentence prescribed by parliament.

Mr Ingraham said that the charge levelled at the Magistrate by the Minister was a "most serious" one and that a Magis-

trate who did that does not deserve to be on the bench.

He noted that the Minister of National Security and the Attorney General are at each other's throats and want to see each other dead.

He said that Ministers ought to be big enough to have honest disagreements and yet be able to work together in the interest of the country.

Mr Ingraham said that Minister Roker should have waited for the Attorney General to appeal the wrongful decision of the magistrate rather than publicly castigate the magistrate.

He said that the Supreme Court found that the magistrate was right.

"Shouldn't a decent Government apologise to a decent magistrate for carrying out the law as it was?" he asked.

Mr Ingraham said that Mr Roker was given "erroneous" information before he made the charge against the magistrate.

He said that the Minister was advised by the Attorney General's Office that the law was in force at the time.

"Now how could the Attorney General's Office give the Minister of National Security such untrue circumstances?" he asked.

"What Gazette did the Attorney General or his Office see or had that told them, that the bill was in force which caused them to tell the Minister that?" Mr Ingraham wanted to know.

He said that it had led to the first of three conclusions, which was either that the Attorney General's Office was sloppy and provided the Minister with incorrect and erroneous information which indicated gross negligence and incompetence.

Secondly, he said, it could be that the Attorney General's Office exercised a careless disregard in the matter.

Thirdly, he said, big men do very petty things.

"It is not beyond the realm of possibilities that the Minister of National Security was deliberately set up by his arch political enemy," Mr Ingraham said.

Nassau THE TRIBUNE in English 2 Apr 87 pp 1, 11

[Article by Anthony Forbes]

[Text]

THE United States Government has denied that it had any part in a reported FBI "sting" operation against Prime Minister Pindling. Deputy Prime Minister Clement Maynard told the House of Assembly Wednesday afternoon.

But Cooper's Town MP Hubert Ingraham claimed that the American Government has never denied that the FBI had a tape with Mr Everett Bannister, the Prime Minister's close friend, talking about a sting operation and the Prime Minister going to the US to meet a drug smuggler.

Former Deputy Prime Minister Arthur Hanna said that Attorney General Paul Adderley talked "nonsense" in a recent ZNS interview because he gave the impression that it may have happened.

The story published in The Washington Times, was read into the record of the House of Assembly last month by Mr Ingraham as he launched a full-scale attack on the Prime Minister while moving for a select committee to consider a Code of Ethics for Members of Parliament.

The Prime Minister suspended the House before Mr Ingraham had completed his address and a few days later prorogued parliament.

The statement by Mr Maynard, who is also Minister of Foreign Affairs and Tourism, came in reply to remarks by Mr Hanna that he was "ashamed" that Mr Maynard did not demand an explanation and apology from the US Government over the matter.

Speaking during debate on a bill for an Act to amend the Representation of the People Act, Mr Hanna referred to a recent television interview by Attorney General Paul Adderley in connection with an American newspaper report of the FBI sting operation.

"That I condemn more forcibly than he (Attorney General) condemned and I am ashamed that the Minister of Foreign Affairs

didn't demand an explanation from the American government and also an apology from them," Mr Hanna told the House.

"I am ashamed that that hasn't happened so far but, of course, when men are compromised they don't say very much," said the Ann's Town MP.

Rising on a point of order, Mr Maynard assured the House that he is protecting the good name and the interest of the Bahamas.

"The American Government did not make any such statement and refused to accept responsibility for any such statement and they're saying it's untrue," Mr Maynard said.

Mr Hanna then questioned why the Attorney General got on the radio to deny something that didn't exist.

"I really said that so I could get an assurance from the Minister of Foreign Affairs that he is still looking after my interest," Mr Hanna said. "In his words, he is still looking after my interest."

Mr Hanna said the Attorney General should have just made a statement from his office saying that the report wasn't true, that the Americans denied it and he would have been satisfied.

"Once the American Government denied it, and the American Government is possessed of sufficient responsibility and integrity for me to accept that," Mr Hanna said.

Rising on a point of order, former Minister of Housing and National Insurance Hubert Ingraham said he wanted to make certain that he was very clear on what the Deputy Prime Minister had said.

"As I understand, this intended entrapment of the Prime Minister was an FBI sting operation which was blocked by the State Department of the American Government," Mr Ingraham said.

"Now is the Minister saying the Americans are denying that the FBI was involved in an attempt to get the Prime Minister of the Bahamas to come meet a drug trafficker as reported in The

Washington Times?" Mr Ingraham asked.

"Or is he saying the State Department denies that there was ever official US Government policy and they never permitted any US agency to do so, and if the FBI had done so, they were off on a limb by themselves?" Mr Ingraham wanted to know.

Mr Maynard said he had already put his words on record and if members would like him to refresh his memory, he would be happy on another occasion to come to the House and tell them exactly what the position is.

Mr Hanna said he understood Mr Maynard to be saying that the Americans have denied the whole story, that there was no such thing and that the FBI was never involved.

Mr Hanna was then told by Mr Ingraham that the Deputy Prime Minister cannot say that.

"Well this is what the Minister of Foreign Affairs said the Americans denied to him. He said that awhile ago. He said that the American Government denied that any such story, any such thing took place by the FBI. The FBI never had anything to do with it," Mr Hanna said.

"He didn't quite say that. He didn't quite say that," Mr Ingraham said.

"How do you mean he didn't quite say it?" asked Mr Hanna. "He said the Americans denied the story."

"Yes, yes," Mr Ingraham said.

"But the story was that the Americans denied the story. It means that the Americans denied the truth of the story in that the FBI was never involved in such a plot," Mr Hanna said.

"That is true," Mr Ingraham said.

"It's got to be true. You can't tell parliament that the Americans denied the story knowing it to mean they only denied part of the story," he said.

"Now that the Minister has said the Americans denied it, the Government has gone on record as saying that the Americans have denied that, then I have no pro-

blem and I will end my remarks on that," Mr Hanna said.

"The only unfortunate part about it is that the Government should have come out and said that the Americans have denied it, that that story is a concocted lie by somebody else," he said.

"I think the Government should have said that, with the greatest of respect, so I wouldn't have been in this agony all these months, since that is the case and I accept the Americans' position as stated by the Honourable Minister that the whole story is untrue, that the story is untrue, nothing like that ever happened at all," Mr Hanna said.

"Mr Chairman, I have the story here. I read it into the record of the House of Assembly. The American Government has never denied that the FBI had a tape with Mr Everette Bannister talking about some sting operation and a drug smuggler and the Prime Minister going over there. It has never denied that," Mr Ingraham said.

Deputy Speaker George Mackey, MP for St Michael's, said the Deputy Prime Minister had said that he will make a statement on that.

"Well, I presumed. I didn't go that far. I don't think the Minister said that that part was denied," Mr Hanna said.

"No, that's the point," Mr Ingraham said.

"If I listened to the Minister correctly, he denied the American part in the operation," Mr Hanna said.

"The Government part," Mr Ingraham said correcting Mr Hanna.

"The Government part," Mr Hanna agreed.

"The police. The police always doing things that the Government may not be aware of," Mr Ingraham said.

"I believe he denied the Amer-

ican Government part," Mr Hanna said. "I feel much better. Well I know the American Government wouldn't be a pirate...a modern day 20th century pirate by going about committing crimes against humanity."

"But at the same time I am saddened at and I could ignore what the Attorney General, the Honourable Paul Adderley said because what he said then was nonsense and I am going to listen to what the Government spokesman says here because I understood he gave the impression that it may have happened," he said.

Mr Maynard said he did not speak for what Mr Adderley may have said because he did not see his interview on television.

"I understand he made certain statements pertaining to certain actions which were reported by television, NBC programme and so on like that," he said. "I do not know how he dealt with it or what he said. I'm unable to speak but I'll be happy to look more carefully and when we meet again I hope to be able to deal with it in a little more detail," Mr Maynard said.

Mr Ingraham asked the Minister when he returned to parliament to tell members about the misleading statements the Bahamas Government issued about the decertification resolution in the US Congress.

"I say that the statement issued by the Bahamas Government is misleading in material respects," Mr Ingraham said.

"Since this concerns the relations with another Government then I believe that we all in here would wish for this discordant matter..."

"To be disposed of," Mr Ingraham said.

"Not just disposed of, but we wish to continue having good

relations with the United States of America and looking after our own interest. That is important, that we look after our own interest," Mr Maynard said.

"Just let me say this. Any statement that was made on behalf of the Government, either by the Ministry of Foreign Affairs, and they're the only people authorised to make statements or their representative, the Ambassador, would be the truth, the whole truth and nothing but the truth, as far as we know it," he said.

"And if there is something misleading I would like for that to be pointed out because I would not like to be misleading a foreign Government, particularly a friendly one," he said.

"No, I don't want to be friendly with a Government at any cost now, so I can't see a Minister getting up and saying that. If he tries to capture my Prime Minister I don't intend to be friendly with him," Mr Hanna said.

"If doesn't matter whether the Prime Minister is FNM Prime Minister or otherwise. So it doesn't matter who he is. When (Pinc Ridge MP and FNM Deputy Leader Cecil Wallace) Whitfield or the Member for Delaporte (FNM and Official Opposition leader Kendal G L Isaacs, QC) become Prime Minister, and if they capture him, I won't be friendly with them at all," Mr Hanna said.

"Come and capture my Prime Minister or set him up and try to change the Government like that, any Minister who say that should be ashamed of himself. We can't be friendly with governments who do things like that," he said.

"That is non-negotiable to me. That is the end of the matter on that," he said. "I don't compromise on that. I'm a Bahamian, true born, generations go back."

## Adderley Defense of Pindling

Nassau THE TRIBUNE in English 7 Apr 87 p 4

[Article by Anthony Forbes]

[Text] The Commission of Inquiry ignored the most important part of the testimony of a convicted drug trafficker when he said he did not believe Colombian Joe Lehder's 1981 claim that Prime Minister Pindling would protect his smuggling operation out of Norman's Cay.

The drug smuggler, testifying in closed session in Miami, felt that Lehder was giving him a "sales pitch" so he would help pay off Lehder's heavy expenses on the cay. The smuggler also alleged in his evidence that Lehder had told him that Prime Minister Pindling had received pay-offs from Colombian drug kingpin Joe Lehder through lawyer Nigel Bowe.

Addressing the PLP's pre-election convention in Freeport last week, Attorney General Paul Adderley defended Prime Minister Pindling against the "unfairness" and lack of "compassion" of the Commission of Inquiry.

Mr Adderley also told the approximately 1,200 supporters at the Camelot Room of the Bahamas Princess Country Club that the official opposition Free National Movement was desperate for revenge and political power.

The Attorney General further accused some lawyers of abandoning their legal training to satisfy their political objectives and some evangelists of abandoning their Bibles for the report of the Commission of Inquiry.

Mr Adderley was the closing speaker on the second night of the three-day convention which was dedicated mainly to the women of the PLP.

Preceding Mr Adderley were, among others, Alma Adams, candidate for Adelaide, Sheila Glinton, candidate for Montagu, Joanna Newton, a Grand Bahama political activist, and Senator Ruby Ann Darling, candidate for George Town, Exuma, and Ragged Island.

In a wide-ranging address which lasted about 40 minutes, Mr Adderley dealt at some length with what he called the "unfairness of the Commission of Inquiry" to the Prime Minister.

He stated that since the 1986 PLP convention, the FNM had been making an issue of corruption which was the only issue on which they were able to campaign.

But he said that there had been a great deal of publicity in the newspapers both in the United States and the Bahamas on allegations against the Prime Minister which had not been dealt with by the Commission, which had failed to treat the Prime Minister with fairness and compassion.



Mr Adderley said that he would have thought that the Commission would have paid a little attention to the facts and evidence from which this publicity arose and about which he had only recently come across new evidence.

He accused the Commission of failing to focus on the most important part of the testimony on which they had not commented in their report.

Taking a swipe at the press, Mr Adderley stated that some American journalists are prepared to believe anything about a black man.

As to the FNM, he said some of them are desperate for revenge and political power.

Mr Adderley said that there was more wrong than some dishonesty in this country.

Referring to the evidence which he said arose in a private session in Miami before the Commission of Inquiry, he stated that the Commission had ignored evidence of a most important and material kind and about which he would have thought the Commission would have paid a little bit of attention to the facts and evidence disclosed there.

He stated that their report failed to focus on a most important part of the testimony.

Mr Adderley said he was referring to a session with an undisclosed convicted drug dealer and that the evidence given, in his words, were double hearsay allegations against the Prime Minister alleging that the Prime Minister had received payoffs from Carlos Lehder via Nigel Bowe.

He said that he had carefully read and taken extracts from the testimony of this convicted drug dealer and had put together the information which was not in sequential order.

He then proceeded to quote from the drug dealer's testimony: "The only information I can give the Commission is second hand which is information given from one person (referring to Lehder) to me.

"Lehder wanted to entice me to become a fugitive on his island to help him cover the expenses of the island in his smuggling enterprise in 1981.

"He offered the island with all of its services and facilities, including the harbour, the runway, the houses. He also offered supposed protection from the Bahamian Government to transport marijuana through the Bahamas to the United States.

"Lehder said it also included two weeks advance notice if there was going to be a raid on the island which would give plenty of time to move equipment and merchandise off the island."

The witness asked Lehder how he was going to get protection and Lehder responded: "From Mr Bowe."

/9317

CSO: 3298/200

MINISTER OF SECURITY MEETS PRESS, DEFENDS ACTIONS

Roker's Opening Statement

Nassau THE TRIBUNE in English 3 Apr 87 p 4

[Text]

**THE BAHAMAS** and the United States, said Minister of National Security Loftus Roker, must continue to work together to rid both countries of drugs, drug abuse and illegal immigration.

The Minister had invited the American press to the Bahamas yesterday to refute allegations that the Bahamas Government was not cooperating to the fullest in the war against drugs. His press conference - as was the Commission of Inquiry in 1983 - was triggered by a NBC broadcast last month in which the Bahamas was labelled "the Cocaine Islands."

He denied that the Bahamas Government's cooperation started only four months ago.

Following is the full text of Mr Roker's address to the press. The conference was held in the studios of the Bahamas Broadcasting Corporation.

THANK you ladies and gentlemen for coming here this afternoon.

This press conference has been called by me to respond to a number of allegations made last month in a broadcast by the National Broadcasting Corporation (NBC) of the United States in a special segment newscast by Brian Ross in which they called the Bahamas "The Cocaine Islands."

The next morning NBC also broadcast an interview with Louis "Kojak" Garcia and a representative of the United States Customs who claimed that there is still corruption in the Bahamas and that there has been co-operation from the Bahamas government only within the last four months.

I will also touch on the question of the Bahamas' laws on illegal immigration and their enforcement, because these and measures against drugs go hand in hand.

I believe that these are serious charges, and if they are true are a serious indictment on the efforts of the government of the Bahamas and in particular the efforts of my ministry, the Ministry of National Security.

And I take particular exception, because if they are talking about bribery of a politician to protect drug traffickers, they could only be talking about me. I am the man in charge of the law enforcement agencies in the Bahamas. I alone speak for the government in these matters. No one else speaks for the government in these matters, not the Prime Minister, not the Deputy Prime Minister, no one speaks for the Bahamas government on these matters other than myself.

First, I want to say that it is untrue, categorically untrue

that there has only been co-operation from the Bahamas government with that of the United States on the question of the interdiction of drug traffickers within the last four months. I have been minister since October 1984, and since I have been here, there has been the utmost good faith and co-operation on our part to help stem the flow of drugs through the Bahamas to the United States.

I take strong issue with the remarks, particularly those which suggest that our co-operation is only recent. It tells me that people think that we in the Bahamas are a foolish people; that we would willingly cut our own throats.

The Bahamas can not afford to be unfriendly to the United States. No matter what position the United States takes on matters of mutual concern or otherwise, the Bahamas cannot afford to be unfriendly to the United States. The well being of the Bahamas dictates this; we simply cannot afford to be against the United States.

This has been the position of this minister and the government since I became responsible for the national security affairs of this country.

What I do want to say, however, is the fact that I am a friend of the United States does



not mean that I must be silent or uncritical when something wrong is done.

I intend, ladies and gentlemen to give you an opportunity this afternoon to decide for yourselves whether you believe that the allegations about the lack of co-operation from Bahamian authorities are true or false. I think that at the end of this morning's session you will be as convinced as I am that we have done all that we can, given our resources, to stop the flow of drugs through our islands. It is my view that if there has been any remission of duty in this regard, it does not come from our side.

I say all of this as a friend of the United States. I want to make this quite clear, I consider myself and this country friends of the United States. But I think that friends do have a special responsibility, and that is to uphold and give right where right is due. No one who wants to be entirely fair to us can say that we have not been trying as hard as we can.

This campaign to discredit us takes on added seriousness in my view because of the recent hearings by the United States Senate on whether or not the Bahamas ought to be certified for the purposes of receiving assistance on the matter of drug interdiction.

I can tell you this, if we are not certified then this will be sending the wrong signal to us. However, if we are not certified, we shall continue to fight on, even if we must fight on alone.

I think that it is important to point out that even our strongest critics in this country do not support the point that we have done nothing. Many members of the opposition have congratulated us on the steps we have taken. So I believe that those who claim that we have done nothing are not telling the truth.

There are a number of facts to which I would like to refer on a general basis, and then give you an opportunity to ask questions about those facts after my statement. These facts, I believe will show unequivocally that we have done all that we can to stop the flow of drugs given our resources, and secondly that at the expense of domestic support we have moved to cement our ties and co-operation with the government of the United States.

I remember quite clearly, and I think that the representatives of the Royal Bahamas Police Force and Defence Force will bear this out, how unpopular our decision was to allow the searching of vessels within the Bahamas by joint patrols of Bahamian and American teams.

Our domestic critics — both PLP and FNM — said that I was so pro-American that I was selling the country out to the Americans. They said that I was allowing the Americans to carry guns in the Bahamas, and that this was frightening the tourist population. Even further, they said that I was surrendering the sovereignty of the Bahamas which I had fought so hard for.

I am satisfied that these criticisms were not necessary, but we endured these criticisms because we believed that those were the correct actions to take. Both the United States and the Bahamas stand unequivocally against drugs, and together we ought to have stood to ensure that the scourge of drugs would be eliminated. I am satisfied that most of these criticisms were designed to hamper the legitimate law enforcement and security interests of the Bahamas.

Now I would like to deal with some specific aspects of the report as it appeared on NBC by Brian Ross. The report contained footage which was obtained from the US Customs Service which showed infra red film footage of a drug drop from a plane. The photo was taken at night in a controlled setting.

I ask you this. If this film were taken over the Bahamas, the United States authorities must have had the information. We obviously have no capacity to take such films. What did the US authorities do about it? Did they inform us? What could we have done about it bearing in

mind the nature of the joint US/Bahamian operation here?

When the US authorities have information of this nature, they pass it on to their Drug Enforcement Agency representative here in Nassau, who passes it on to us. We then join US officers in attempting to apprehend the offenders. We do not have the capability to do it ourselves. United States officers are always with us because they have the transport vehicles.

Is the NBC report claiming that the Royal Bahamas Defence Force was informed and let them get away? We certainly do not have the capability to observe any drug plane, dropping off drugs at night.

I go further. Let us for argument's sake assume that every Bahamian is a crook and a corrupt fellow. We know that the drugs are not produced here. The plants are grown in Central and South America and the Caribbean in countries friendly with the United States; in countries with which the United States is working to eradicate the plants.

The drugs are then flown out and come into the Bahamas. Again, let us assume that this is because we are crooked. And because we are crooked we also let the drugs fly out again into the United States.

Now, the United States has the equipment to observe the flow from south to here and from the Bahamas to the US. I ask one important question, assuming all Bahamians are crooks because we allow transshipment here, are all Americans by reason of the same logic all crooks as well because the drug criminals are not apprehended by US authorities with all their equipment as the criminals cross into the United States?

Who allows the drugs to get into the US market? Are they crooks as well?

The question of the number of airstrips and their connection to drug trafficking has been raised. I need not remind you that the 70 or so airstrips in this country are a necessary adjunct

of tourism. Most airstrips are privately owned. Many of them are owned by Americans who are not a part of the drug trade, but these airstrips are used by drug people.

What are we being asked to do about the airstrips? I tell you ladies and gentlemen that when we are satisfied that an airstrip is being utilised for drug trafficking and that no proper control can be exercised by the legitimate users, we have closed them down. For example, the airstrip at Cistern Cay in the Berry Islands was closed by us to prevent its use by drug traffickers.

It is easy ladies and gentlemen for any one to accuse others of being corrupt and of lending assistance to drug traffickers. But the question must always be what do I do about someone under our control? That is what I am concerned about.

The Ministry of National Security was formed in October, 1984 which brought together for the first time all the drug enforcement agencies in one portfolio: The Police; the Defence Force and Immigration. I was appointed Minister. Shortly after this in December of this same year the Commission of Inquiry reported its findings.

I mention the Commission of Inquiry because we are also being accused by our critics both at home and abroad of doing nothing so far as the recommendations of the Commission of Inquiry are concerned.

The report of the Commission was examined. Steps were taken to deal with all of its recommendations as far as they concern the law enforcement agencies. Two teams of British officers were hired to review the Royal Bahamas Defence Force and secondly the Royal Bahamas Police Force as a direct result of the Commission of Inquiry.

Even before that, however, steps were taken to terminate the services of those officers that the Commission found were involved in wrong doing. This has been done.

Since then, the reviews have been completed and we have been acting on the recommendations. Three British police consultants have been working with us to re-organise the Royal Bahamas Police Force. A new branch of the Force called the Drug and Corruption Unit staffed by high ranking officers of the Force to investigate allegations of drug trafficking and corruption in the police service has been established.

Much has been said about what we in the Bahamas have done to comply with the Commission of Inquiry report, but what about the lack of co-operation by the United States? The Commission found on the part of the United States — and I quote "a serious neglect and unwarranted indifference" and a "lack of respect for the sovereignty of the Bahamas."

Against this background, it would have been easy to find an excuse not to co-operate with the Americans. Despite this — as you can see — we have done just the opposite.

We have increased the size of the Ministry of National Security's budget, so that now law enforcement is the third largest item in the budget.

We ordered — again in 1984 — and took delivery last year of three high speed patrol craft at a cost of over 12 million dollars. The only reason the Bahamas bought those boats is to fight drugs. 12 million dollars is an enormous commitment for a small country to make.

We have now established a base of the Royal Bahamas Defence Force at Gun Cay in Bimini to assist with the drug interdiction programme. We have offered the use of this facility to the United States.

In the recent Senate hearings, it was suggested that one of the reasons that we ought to be decertified is because we refused to allow the temporary installation of a radar system at George Town airport in Exuma.

This is not true. We considered fully the request by the United States for this facility and communicated to them that

we would be happy to accommodate their request, bearing in mind that international aviation rules prohibited the placement of the facility so close to the airport.

For some reason, the United States refused to consider an alternative location. You must also bear in mind that there was an accident before at that airport because one of our joint interdiction facilities was placed too close to the runway.

I go further. In all my co-operation with the United States, the interest of the Bahamas is foremost in my mind and I have always tried to ensure that drug trafficking in the Bahamas is stopped.

As a direct result of the Commission of Inquiry, we have stationed permanent contingents of police officers in areas where it is known that these persons have been coming in frequently. We have stationed police officers at Norman's Cay, Exuma and Gorda Cay, Abaco.

There are few people at Norman's Cay and none on Gorda Cay, so there would be no reason in the ordinary course of things for police contingents to be stationed on these islands.

Men are stationed at Cay Sal full time as well. This is only because of the drug activity in this area. There is no other reason for keeping them there at all apart from the prevention of drug trafficking. Let me also say that because of this vigilance, these cays — at least — are now dead as points for drug transshipment.

I would now like to make a few remarks about OPBAT. This is an interdiction programme, a joint US/Bahamian programme which has had much success. Again this is a programme which depends on the information and resources of the United States. If we are not doing what we are supposed to do, then it is not the Bahamas that is at fault. The US has the information and facilities, and our men only move when they are ready.

Many times, ladies and gentlemen, we were ready to move because of information which we had in our possession, but when we approached the Americans, the equipment had broken down.

I say that rather than only looking at Bahamians being corrupt, we need also to make sure that US agencies are not corrupt bearing in mind most traffickers are US citizens. What checks are being made on US law enforcement agencies? Could it be that the Americans are corrupt?

What if the Americans who are operating these devices are using drugs themselves? What would they do to stop the drug trafficker who they rely on for the supply? Could it be that for protection and information they get free drugs? Are we sure that the radar operation at Grand Bahama is secure, and if it isn't whose fault is it?

I want to turn now to illegal immigration. I believe that illegal immigration goes hand in hand with the problem of illegal drugs. The best way to ensure the maintenance of law and order is to have a policy to enforce all the laws of a country.

Illegal immigration is a threat to the Bahamas which is a small country, and when illegal immigrants are allowed to come in unrestricted — then we can expect other illegal activity. For example, we have found that the boats used to transport illegal immigrants are also being used to transport illegal drugs.

In Bimini, for example, one of the biggest smugglers of Haitians and drugs to the United States, herself came in as an illegal immigrant to this country. She is known by US authorities and they have a warrant for her arrest. It is wrong to ask any country to enforce drug laws,

but not to enforce its immigration laws.

Just before I close, ladies and gentlemen, let me say that at the end of the day, the Bahamas and the United States must continue to work together to rid our countries of the terrible problems of drugs and drug abuse and indeed illegal immigration.

At the end of the day, we are still friends. I reiterate that the Bahamas is not against the United States. We can not afford to be. What I have said this afternoon will, I hope, be accepted in a spirit of friendship and cooperation. I know that our relationship will go on from strength to strength. I feel that through co-operation and only through co-operation will we stand a good chance of winning this war.

Thank you for coming. And now I will take any questions that you have.

#### Question-Answer Session

Nassau THE TRIBUNE in English 3 Apr 87 p 1

[Article by Athena Damianos]

[Text]

**NATIONAL Security Minister Loftus Roker yesterday denied having knowledge that the Prime Minister's close friend and confidant, Everette Bannister, made two trips to Colombia to visit Carlos Lehder.**

But he did not rule out the possibility that this happened.

Asked by a Channel 7 reporter whether the matter would be investigated now, Mr Roker said,

"No, because you've...had that information for a long time and you have Joe Lehder."

Mr Roker said he had never heard of the Colombian trips, but "I am not suggesting that he has not taken (them)."

He was "fielding" questions from the American and local press at a news conference held at ZNS studios yesterday afternoon. NBC and ABC had cam-

era crews on the scene. The conference was called to answer a recent NBC newscast which labelled the Bahamas as the "Cocaine Islands."

However, Mr Roker skirted around most of the questions, and devoted his time to defending his performance as National Security Minister. One observer said that his address sounded like a "swan song."

Asked that if his Government were serious about eradicating the drug problem, or giving that perception, why the governing party - of which Prime Minister Lynden Pindling is leader - renominated as election candidates MPs whom the Commission of Inquiry linked to traffickers (notably Kendal Nottage), Mr Roker agreed that he accepted the Commission report in "totality."

"I have no control over who is nominated to contest any

constituency anywhere," Mr Roker said.

"My position on drug traffickers and on corruption is well known to you. It has been known to you for many years and it is not recent..."

He claimed that the Government of the Bahamas has been implementing the Commission's recommendations.

When it was pointed out that while he has implemented some of the recommendations, other Ministries have ignored them, Mr Roker said:

"You know I would not like to go into that. I have done everything I could do which falls within my (portfolio) to implement (the recommendations)."

Reiterating his stand against drug trafficking, Mr Roker said he was prepared to ring the Bahamas to stop every ship and plane and to search everyone to

ensure that no drugs come into the Bahamas.

Asked to comment on reports that the Bahamian judicial system is antiquated to the degree that when traffickers are caught, they are released on small bails and whether there was the need for new laws, Mr Roker said that "we just passed new laws."

He said that granting of bail does not make a system antiquated and that the Bahamas Government believes in the separation of powers and in the independence of the Supreme Court.

However, it was pointed out that the laws to which he referred have not come into force.

Mr Roker side-stepped questions about why a 1986 anti-drug Act, passed in the House of Assembly four months ago, still had not been brought into force this week.

Asked to explain the circumstances that led him to publicly castigate a magistrate for not enforcing the new laws, when they were not in fact in place, Mr Roker said that he would have criticised the magistrate anyway because under the existing laws, there is adequate provision for proper penalties to be applied to traffickers. But he did not answer the question.

He claimed that in 1981 when Government amended the drug laws, the leader of the FNM thought that the amendments were "draconian."

While he was not happy with sentencing, Mr Roker said that no-one in the executive branch has any control over the judicial system.

Asked by NBC "what's going on" over the fact that 13 extradition requests by the US have not been honoured, specifically in the case of Nigel Bowe, Mr Roker said that Mr Bowe has as much right to retain an attorney and defend himself as he hoped he would if charged with a crime.

Asked why he signed the Nigel Bowe extradition order as acting Minister of Foreign Affairs when this was the function of the Governor General and it was on these grounds that the case was thrown out of court, Mr Roker said the order was

sent to him after being vetted by the Legal Department "and I was asked to sign it and I signed it. And I take full responsibility for that."

When pressed as to whether he was acting on the advice of the Attorney General, Mr Roker snapped:

"I said what I wanted to say!"

Asked again to explain why the new drug laws are not in place, Mr Roker said:

"No, I cannot."

Asked by an American reporter how it was possible that Joe Leher operated out of Norman's Cay for three or four years without interference from the Bahamas Government, Mr Roker said:

"What evidence do you have that there was a drug base there? I don't know of any such evidence. I know of (such) talk. There's no evidence..."

(According to the Commission of Inquiry report, which Mr Roker accepted on behalf of Government:

"There is no doubt that the Leher organisation conducted a large scale smuggling operation through Norman's Cay from at least early 1979 to September 1982. It is clear that the police and senior government officials were aware of the illegal activities and their response was inadequate...We have concluded, therefore, that there must have been corruption from within the Police Force and that corruption must have reached to a senior level of government").

Mr Roker said that he did not know the Colombian flag was flown over Norman's Cay, but that he could fly the swastika over his house.

Mr Roker denied suggestions by Channel 7 in Miami that the news conference was timed to coincide with the general election campaign and, in essence, is an effort to shine up the Bahamas' public relations.

Mr Roker did not answer how the Prime Minister of a country that - to use his words - is not the richest place in the world, could spend substantially more than he earned.

Reminded of his 1985 PLP Convention statement that this was the Prime Minister's last chance to divest himself from

any person who made it appear that he condoned shady activity and asked if, in his opinion, the Prime Minister had done so, Mr Roker said:

"I am not prepared to discuss whether the Prime Minister did what I asked him to do or not...I...that is not what I perceive my function to be."

Mr Roker referred to a part of his address where he raised the question of whether certain US agencies are corrupt.

"I made that statement. No-body picked it up," he said.

He seemed to think that reporters had missed the main point of his address.

"Are we sure that the radar operation at Grand Bahama is secure and if it isn't whose fault is it?" he asked.

Asked if his questions were rhetorical, Mr Roker said:

"I'm going to answer your question."

Stooping down on the floor, he opened his briefcase and took out some papers.

He read from a "confidential memo" which said that five Pan American sub contract employees and some Bahamians were smoking marijuana at the Grand Bahama site and, in one specific case, used it in the company's car while driving to the missile tracking base. Part of a marijuana cigarette was found in the company car, according to the "memo."

He said that this happened last November. Pan Am is operating the site for the US Government on a private contract. Mr Roker did not let the Press see the memo.

One of these days "people like you" are going to know what the Bahamas did to fight drugs, Mr Roker told the Press.

"Do you know that two of our policemen flew with your people to invade British territory in Turks Island without permission from the British Government in pursuit of a drug plane? That happened and that didn't happen 10 years ago. It happened this year."

Mr Roker admitted that one of his campaign generals "may" have been indicted in a recent sting at Chub Cay, but said he knows of FNMs who have been convicted on cocaine charges and are involved in the FNM today.



UN DEVELOPMENT PROGRAM INCREASES AID 80 PERCENT

La Paz PRESENCIA in Spanish 5 Apr 87 pp 1, 4

[Excerpt] The administrator of the United Nations Development Program (UNDP), William H. Draper III, will arrive in Bolivia today for a 36-hour visit for the purpose of making "a rapid assessment of the projects under way which are being financed by this international body in the technical aid sector, and to draft plans for the next 5-year period."

Draper will arrive at the El Alto International Airport at 7:50 pm. He will be welcomed there by the ministers of foreign affairs and worship, finance and planning and coordination, as well United Nations and UNDP personnel in La Paz.

During the talks he will have with authorities in our executive branch, agreement will be reached on a 5-year financial program involving \$19 million, representing an increase of 60 percent over the amount allocated between 1982 and 1986.

This international body offers direct cooperation in the technical aid sector, and it also facilitates the allocation of resources from other related institutions and the governments of the industrialized nations.

In the first technical aid phase, the UNDP has committed \$19 million for the 1987-1991 5-year period. However, the programs for channeling resources may involve much larger sums for the economic and social development of the country, the deputy representative, Mario Salzman, said.

He announced that Bolivia will be the only Latin American country which will get an 80 percent increase in the financial programs for the support of technical aid projects.

The main projects currently under way are designed basically to achieve the administrative strengthening of the economic and financial sectors, subdivided in the following manner.

\$304,000 for the institutional strengthening of the public sector; \$647,000 for project administration and inventory, which will make it possible to establish an adequate data system for public investment programs; \$584,000 for



short- and medium-term policy and program planning, reflected in advice on tax reform and macroeconomic assessments; \$400,000 for aid in preparations by a World Bank consulting group to make the drafting of a development strategy possible; and \$289,000 to support the proposed institutional strengthening, based on coordination of the process of organizing the economic and financial sector and providing an adequate data system for public investment programs.

#### Farm Sector

In order to raise the standard of living in the peasant communities through an increase in farm productivity, two microirrigation programs have been established in Potosi, at a cost of \$60,000 and \$1,460,000, respectively. \$632,000 will go for rationalizing the use of the natural resources in Copani, in the department of La Paz; \$179,000 for farm development in Gran Chaco; and \$250,300 for the development of the farm potential in the province of Vallegrande.

#### Economic Sector

\$400,000 will go for aid to the Ministry of Energy and Hydrocarbons and the Bolivian Government Oil Deposits, and \$210,000 will be allocated for the promotion of energy planning. \$200,000 will go for an overall transportation study and sector evaluation, and \$353,964 will be used for a definition of technical and economic tasks such as to make it possible to draft an integrated development strategy for the San Buenaventura region.

#### Other Sectors

\$7,794,600 will be allocated for geothermal energy in the Laguna Colorada area in the province of Sud Lipez de Potosi, and the allocation for the drafting of a feasibility study on a hydroelectric power plant and the upgrading of national resources for designing small hydroelectric plants in Cachuela Esperanza (Beni), will be \$172,309. Also, resources were assigned for the expansion of rural as well as urban housing space in the amount of \$700,000, for improving the standard of living of the peasants in eight rural communities in Tihuanacu, La Paz, in the amount of \$182,000, and for institutional support of the Simon Bolivar Andean University, in the amount of \$135,000.

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## STUDY UNDERSCORES MINERS' CRISIS

La Paz PRESENCIA in Spanish 5 Apr 87 p 1

[Text] "The daily expenditure for food in miners' homes comes to 3.9 bolivianos, on the average, which means a monthly expenditure of approximately 120 bolivianos. From this figure, it can be concluded that the greater part of their income, in many cases all of it, is used to meet their daily food needs," a study entitled "The Crisis in the Mining Sector and Its Socioeconomic Effects" states.

The study, made by the UNITAS, the Miners' Advisory Program and the Catholic Relief Services, says that the figures it contains, the results of the investigation, "do nothing but reinforce our understanding of the dramatic situation from which the workers are suffering, and call the attention of the citizens of Bolivia to the fact that they must not remain insensitive to the fate of the 120,000 persons who have been relocated, more than 55 percent of them children, and those who have decided to stay in their mining centers despite the adversity and misadventures which they experience there daily." This study is the first to give precise figures on the number of workers dismissed from the COMIBOL between June of 1985 and December of 1986. The figure given is 18,559. In January, only 9,007 of the 27,566 employees the state mining enterprise had were still employed there.

In the chapter entitled "Food and Family Expenditures," the average wage as of June 1986 is given as 136 bolivianos, "which was tremendously reduced by the discounts to an average of 59.4 bolivianos per worker, such that a good percentage even end the month without any funds at all. These facts justify the statement that the level of the workers' income is very low."

After mentioning other details in connection with family expenditures and giving 3.99 bolivianos as the average daily expenditure, which is the equivalent of about 120 bolivianos per month, the study says that in the districts of Colquiri, San Jose and Bolivar, even less is spent on purchasing food, "a fact closely linked with wages, since these are the districts where the average wage is the lowest with regard to the other enterprises."

The study adds that the expenditure reported in Huanuni and Viloco is greater. "In the first locality, this is because there is heavier consumption of certain products, especially processed foods, and because a higher price level

was reported. In Viloco, expenditures are greater than in other districts because there is heavier consumption of livestock products--meat and others, because of the proximity to the Aracas Valley, and also because the distance from the larger production and supply centers drives the prices of other food products up."

It was noted that a prominent aspect of the average daily expenditure structure for miners' homes is that "processed products account for the largest proportion of the family food budget, totaling 48.9 percent of the average daily expenditure in the eight districts. This category is followed, in terms of the amount spent, by crop and livestock products, accounting for 33.7 and 18.3 percent, respectively. Last is the miscellaneous category, which only accounts for 5 percent of total family expenditure.

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GOVERNMENT URGED TO DEAL WITH CORRUPTION, IMMORAL PRACTICES

La Paz PRESENCIA in Spanish 5 Apr 87 p 3

[Text] The government, with the adoption of provisions such as Decrees 21060 and 21137, had the intention, apart from the economic and financial goals, of taking steps to enable the country to overcome not only the crisis, but also its underdevelopment. Although these measures have succeeded in containing the hyperinflationary process, they have not brought about nor had the effect of leading to real steps toward eliminating immorality among government employees.

This evil, which has become chronic in recent decades, is a phenomenon which has been on the increase as governments succeeded one another. In other words, it can be said that many employees in the public administration have seen an opportunity, particularly during the de facto governments, to profit from "political panic" to pursue their own ends. Thus many posts in the state apparatus have been "bought," and not for the sake of the salaries they paid, but because they could be converted into "powerful keys" which would open the doors to illicit enrichment.

Bribery, graft, "commissions," profit sharing, "tipping" and many other forms of extortion have become routine and common in most public activities. It goes without saying that overinvoicing on purchases for the state and payment in advance for the completion of administrative procedures--the majority of these forms of extortion are practiced openly and without the slightest shame--have become common in recent years. In many cases, low salaries or the "neglect" from which government employees suffer have been brought forth as pretexts.

But the most important form of corruption seen is drug trafficking. It would appear that this crime has contaminated all branches of government, for otherwise it would be impossible to explain how the majority of the drug manufacturers and dealers who have fallen into the hands of the authorities have regained their freedom so easily, or have been given authorization at the outset to enter clinics where, after having spent a comfortable few weeks, they can readily leave the country. These same court and police authorities have voiced their concern about the instances of breach of faith and complicity with the drug traffickers.

To speak then of a solution to the crisis, of effectively undertaking the development of the country, is almost useless for as long as it is necessary to deal with extreme corruption in the administrative cadres, in the judicial branch and in the police bodies, which will prevent the advance of any plan, because it will not suit those who have found easier ways of lining their pockets illegally.

The government, if in fact it wants to achieve success with its economic policy, will have to do its very best to reestablish order in its public cadres and the other sectors which are bringing discredit upon it and making the most vital parts of its plans vulnerable.

The most serious thing is that these crimes have now infected the private sector, where the most modern methods of making crime a daily matter, while giving the appearance of honesty, which sooner or later falls of its own weight, are being found.

But not only is it necessary to combat the illegal acquisition of wealth, but another type of immorality and corruption as well--the lazy work, irresponsibility in carrying out the tasks assigned, the attitude of "I don't care" and indifference, carelessness and many other attitudes which reflect a lack of morality and represent an attack upon the country.

If what is wanted is to overcome the crisis, a phenomenon which will last many years more, it is necessary to take positive steps so as to gain an awareness of the urgent needs of the country in the performance of the functions, the tasks and the work which all Bolivians must pursue, particularly those who hold public and private posts.

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MISICUNI PROJECT SUBMITTED TO CONGRESS

Cochabamba LOS TIEMPOS in Spanish 3 Apr 87 p 5

[Text] La Paz, 2 Apr--Falangist deputies David Anez Pedraza and Jose Luis Gutierrez Sardan have presented a bill in Congress to create the Misicuni Enterprise as a public entity responsible for promoting, designing, and executing the Misicuni Multiple Project in the central valley of Cochabamba Department.

The bill which has nine articles is as follows:

Whereas, by constitutional prescription, the state has the obligation and responsibility to encourage, promote, and execute infrastructure projects that promote national development.

Whereas economic and social development are basically complemented by the exploitation of natural resources.

Whereas the Misicuni Multiple Project in Cochabamba Department constitutes a priority project whose execution must be undertaken without further delay.

The National Congress decrees:

Article 1. The Misicuni Enterprise is created as public entity responsible for promoting, designing, and executing the Misicuni Multiple Project in the central valley of Cochabamba Department.

Article 2. The Misicuni Enterprise is formed by the following who have full responsibility and rights: a representative of the Ministry of Agriculture, Campesino Affairs, and Livestock Affairs; a representative of the Cochabamba Regional Development Corporation; a representative of the Misicuni Association; a representative of the Cochabamba Association of Agricultural Engineers specializing in irrigation; and a representative of the Ministry of Planning and Coordination.

Article 3. The president of the Misicuni Enterprise will be appointed based on clause 5 of Article 62 of the Political Constitution of Bolivia. The general manager and other managers and top technical personnel will be

appointed by the board of the enterprise, after a competency examination and qualification of professional merits.

Article 4. Within 90 days of promulgation of the present law, the legal representatives of the Misicuni Enterprise will present a precise program for the execution of the subprojects based on the global feasibility project.

Article 5. The Social Emergency Fund of the Presidency of the Republic allocates \$5 million to undertake the projects of the Misicuni Enterprise during the 1987 fiscal year. It will be used for administration and implementation of emergency projects.

Article 6. Starting with the 1988 fiscal year until the completion of the project, the Ministry of Finance will allocate funds in the General National Budget based on the budgetary requirements that the board of the Misicuni Enterprise submits to it.

Article 7. The Misicuni Enterprise can take out loans inside or outside the country and acquire machinery, tools, or other supplies on credit in accord with existing laws and with the endorsement of the Central Bank.

Article 8. The Misicuni Enterprise can negotiate economic, technical, or administrative cooperation with international entities, governments of foreign countries, or private organizations or enterprises.

Article 9. The Executive Branch will regulate the present law based on its administrative powers.

Meeting Room of the National Congress

7717

CSO: 3348/265

## BRIEFS

REBUILDING OF DAM STUDIED--SAMAPA [Municipal Waterworks and Sewerage Service] will begin reconstruction of the Incachaca dam next September. This was announced by the general manager of SAMAPA, Eng Luis Allaga. He reported that the new dam will have a reservoir capacity of 4 million cubic meters of water. It will entail an investment of \$3 million negotiated with international cooperation organizations. He said that the final design was reached with the cooperation of the German Government through Lahmeyer International. The final studies were delivered to SAMAPA installations yesterday. The dam has completely deteriorated. It must be reconstructed to guarantee the safety of the La Paz people. It was constructed 30 years ago. First there will be demolition work in order to construct an earthen dam 5 meters high that will serve as an obstruction upriver. The river will be deflected during the dry season, permitting construction work for the intake and the concrete dam. According to the work schedule, construction of the dam will take 14 months. He said that this project will benefit the upper parts of Miraflores, ChuquiagUILlo, El Carmen, and Killi-Killi. It will also improve the water distribution service throughout the southern zone of the city. The underlying soil does not need to be made impermeable through injections. However, a control gallery is planned in the main body of the dam; it will go through three blocks. This will permit subsequent partial injections to improve adhesion between the dam and the underlying soil. This gallery will be used to control possible leaks and to decrease pressure. He indicated that the design concept used for bids for the new Incachaca dam is based on density with operational safety, exploiting the topographical and geological conditions for each structure. [Text] [La Paz PRESENCIA in Spanish 5 Apr 87 p 11] 7717

SWISS FINANCIAL, TECHNICAL AID--The Bolivian Government and the Swiss Government now feel it is appropriate to extend the rural development program for 3 more years (second stage), from 1987 to 1989. The details of this agreement have been defined and corrections and technical adjustments made for better management, according to the director of the SNDC [National Community Development Service], Hugo San Martin. Extension of the SNDC-COTESU agreement entails a donation of 6.5 million Swiss francs (approximately \$4.25 million) for the development of 150 new projects that will benefit a total of 12,000 peasant families in the departments of Oruro, Potosi, Chuquisaca, Tarija, La Paz, and Cochabamba. San Martin explained: "There have been arduous international negotiations to help confront the profound socioeconomic crisis

that has afflicted Bolivia since 1983. These led to a pact for nonreimbursable technical and financial cooperation from the Swiss Government through COTESU to carry out a rural development program in depressed areas of the country." The basic objective of this program is to encourage processes of self-sustained development based on peasant participation. It carried out a series of rural projects such as mini-irrigation projects, levees, bridges, local access roads, centers for collection and distribution of agricultural-livestock products, centers for livestock improvement, craft centers, and potable water collection in different communities. He revealed that the results obtained from this joint SNDC-community rural development effort have helped generate jobs in the rural area, increase agricultural-livestock production and productivity, increase peasant family incomes, improve existing standards of living, and, consequently, stop the rural exodus. [Text] [La Paz PRESENCIA in Spanish 5 Apr 87 sec 2 p 1] 7717

ITALIAN AIRPORT FINANCING--Cochabamba, 28 Mar--Negotiations with the Italian Government for credit for the construction of the new airport have ended. This year \$7.7 million will be paid out of the first share of \$19 million. The government allocated a total of \$3 million from the general national budget as counterpart. It is now up to the foreign minister to arrange for the documents to be signed. The executing unit has done everything in its power to complete the negotiations and have the project approved. What remains to be done is have the agreement signed by government authorities of the two countries, according to the executing unit for the Jorge Wilsterman Airport. The first payment should be used to construct the new east-west landing strip 3,800 meters long and channel the deflection of the Rocha River. These projects should be constructed in 1987. Eng Luis Rico, manager of the executing unit for the airport, emphasized that the agreement depends on the final political decision of the government authorities. He explained that Foreign Minister Guillermo Bedregal Gutierrez was very willing to accelerate the signing of the agreement and begin the projects as soon as possible. About 90 percent of the land has been expropriated. The remaining 10 percent should be completed in the next few days. There are problems because of lack of documentation of ownership of the land of some of the peasants. The legal department of the executing unit is working to resolve these problems. [Text] [La Paz PRESENCIA in Spanish 29 Mar 87 sec 2 p 1] 7717

YPFB NOT AFFECTED BY STRIKE--The president of YPFB [Bolivian Government Oil Deposits] reported that the enterprise is carrying out its normal program of drilling field development wells. It plans to complete five in April with their subsequent evaluation and production. Alfonso Romero Loza said that the work is being done in the Santa Cruz, La Pena, San Roque, and Cascabel fields. He added that wells 58 and 59 have been completed in the Santa Cruz field and the evaluation phase has started. The same is true about well 4 in the San Roque field. In the Santa Cruz field, the drilling of well 15 is almost completed and in Cascabel the programmed levels will be reached within 20 days. The president of YPFB said that there would be 5 development wells that would enter the phase of evaluation and production in April. In response to other questions, he said that the oil production level of YPFB is now about 16,000 barrels per day. With the production of the contracting enterprises, it reaches 18,000 barrels per day. Oil production by YPFB and the contracting enterprises in the country is about 20,000 barrels per day. The president of



the YPFB called labor-management relations in the YPFB good. He said that the strike called by the COB [Bolivian Labor Federation] has not affected production work. The La Paz Union of Oil Workers presented a pronouncement signed by Martin Ayllon Ocampo, Victor de la Barra, Marco Antonio Morales, Nilo Linares Paton, Jorge Castell Flores, and Carlos Molina Guzman. In it, "they denounce to the public, the COB, COD [Departmental Worker Federation], FSTPB, and DDHH the interference, abuse of privilege, and hindering of free union association by Eng Alfonso Romero Loza" whom they consider a "representative of private enterprise." [Text] [La Paz PRESENCIA in Spanish 29 Mar 87 p 9] 7717

IDB TO FINANCE NEW PROJECTS--A total of \$116 million was paid out in 1986 in loans allocated to Bolivia by the IDB, according to the representative of that bank in this country, Francisco Albergucci. This is an unprecedented figure, more than double the highest earlier total, \$52 million in 1985. At the same time, the Bolivian press has reported that bids have been solicited from contractors on a number of projects which the bank is financing, such that dynamic implementation of the new projects and the possibility that the current rate of disbursement will be maintained can be foreseen. Notable among the invitations for bids is that issued by the National Preinvestment Institute (INALPRE) for registry and updating in the National Consulting Office Registry in connection with the Overall Preinvestment Program, which is being financed with IDB support. The preinvestment studies will be focused on the transportation, agricultural, agroindustrial, industrial, project, multiple, energy, health, basic sanitation and education sectors. As is the case with all contracts for goods and services, individual firms or consulting offices in any of the countries with membership in the Bank can participate. In another connection, the Chuquisaca Regional Development Corporation will execute a project financed with Bank support and has solicited bids for the contract on external auditing services. The Bolivian Government Oil Deposits, meanwhile, have solicited bids for the supply of tanks and pumps needed for the installation of pumping stations on the Yapacani-Caranda oil pipeline and the hydrocarbons exploration and production project being carried out with IDB financing. Another project on which bids were solicited in recent weeks involves the repair work to be done on the Hampaturi Dam using pressure injection of cement. The project is a part of the plan for improving the drinking water system for La Paz, the capital of the country. According to the representative of the Bank in Bolivia, the loans already granted to the country and to be paid out in the coming years total \$451,900,000, which amount includes the \$140,400,000 approved in 1986. [Text] [La Paz EL DIARIO in Spanish 29 Mar 87 p 7] 5157

COMIBOL'S FURTHER PERSONNEL REDUCTIONS--The Mining Corporation of Bolivia is currently losing \$2 million a month, Minister of Mining and Metallurgy Jaime Villalobos said in the course of an explanation of the need to proceed without further interruption with the implementation of the operational plan drafted for the enterprise for this year. The plan for 1987 calls for the investment of \$71 million, which the government will cover directly. Villalobos said that the work programs and budgets are based on a reduction in the number of COMIBOL workers to 6,500. This criterion was reiterated at the last meeting of the mining commission held on Thursday, on which occasion the minister said that a reduction in the personnel in the central COMIBOL offices in La Paz, Oruro and Vinto cannot be avoided. He admitted that the "relocations" may be delayed until the talks are completed, but afterward, he said, "they must be



carried out if the situation of the COMIBOL is not to deteriorate further." The reiteration of the fact that the government will carry forward the plan to rehabilitate the COMIBOL and the operational plan led the representatives of the Mine Workers Federation of Bolivia (FSTMB) to express the view that nothing can be expected of the negotiations, "since choices and the decision not to change them have already been made." Following the Thursday meeting, two sessions were announced for Friday. The morning session, scheduled for 10 am, was not held because the FSTMB had not completed its 14-point plan for the rehabilitation of the COMIBOL. The meeting in the afternoon was not held because it was believed no progress could be made on this level in view of the positions adopted by the parties, and it was decided to hold a plenary meeting with the government and the COB to negotiate. [Text] [La Paz PRESENCIA in Spanish 5 Apr 87 p 10] 5157

CSO:3348/267

BRIZOLA DISCUSSES PDT PLATFORM, ARMED FORCES ROLE, ATOM BOMB

Sao Paulo FOLHA DE SAO PAULO in Portuguese 17 Mar 87 p A-13

[Interview with Leonel Brizola, outgoing governor of Rio de Janeiro, by Fernando Paulino Neto, in Rio de Janeiro on 13 March 1987; first five paragraphs are FOLHA DE SAO PAULO introduction]

[Text] Although not saying explicitly that he is a candidate for president of the republic, the former governor of Rio de Janeiro, Leonel Brizola, 65, of the PDT [Democratic Workers' Party], told FOLHA DE SAO PAULO during an exclusive interview in his apartment in Copacabana in the southern section of Rio de Janeiro--an interview granted just hours before his departure for New York on Saturday to avoid handing over his office to his successor, Wellington Moreira Franco of the PMDB [Brazilian Democratic Movement Party]--that his party was going to issue a national platform "in black and white" and that its two priority planks were going to be the "democratization of property" and the "democratization of life and education." He said that in his party, a candidacy is "a social movement, and it is beginning to emerge."

In Brizola's view, having the PDT in the government means that children will be placed in Integrated Public Education Centers [CIEPS] and that preschool meals will be supplemented "even in the mother's womb." According to him, another plank will call for carrying out "a vigorous program so that within the next 15 years, the country can have 20 million new small and medium-sized properties." Brizola says that the PDT "considers property ownership so good that it wants it for everyone." On the question of where the money will come from for those projects, he repeated what he had said in his 1982 gubernatorial campaign: "The money will have to come from inside the heads of inspired men in public life."

On the question of the atomic bomb, the former governor says he is in favor of Brazil's having it if neighboring countries already have it. In that case, he says, "getting the bomb will naturally become an imperative in our defense program." He also agrees that the Armed Forces should perform domestic duties "to safeguard order and institutional normality." Brizola says, however, that they must be subordinate to the institutions. "When there is a de facto and legitimate government like the present one, the blame for military deployments rests not on the Armed Forces but on the institutions." He said he was not

referring specifically to last week's occupation of the PETROBRAS refineries because he was not familiar with "the mechanisms" behind that decision.

Concerning the state government, Brizola said his greatest achievement had been the CIEPS, and his response to opponents criticizing it as a vote-getting ploy is this: "I wish all the governments would try to win votes that way. Establishing the cruzado and duping the people before the elections is worse."

The last exclusive interview with Brizola as governor of Rio de Janeiro took place between 2300 hours on Friday and 0045 hours on Saturday, and it was interrupted several times. He was receiving advisers in order to sign last-minute papers--"resignations from positions of trust," according to him--and would go to the bathroom from time to time to wet his face and try to chase away fatigue. But he was never able to stop his constant yawning.

FOLHA DE SAO PAULO: How do you see your political future?

Brizola: I see it as a man who has reached the stage of maturity and balance. I feel that I am now in my period of greatest mental capacity. I have worked for 50 years. I am ending this administration stronger, and I am satisfied with everything it has been my lot to do and decide. My administration is ending in an atmosphere that has remained dynamic, disputed, and debated up to the last day. Most of the population is tending to adopt my ideas. I view the future with much concern, but I hope to see the creation of a national will that will put Brazil back on the track. The New Republic has derailed Brazil, and the old republic had already caused several accidents and the most incredible disasters. The campaign for direct elections was the high point: it represented a hope--a more optimistic vision--that the country could get in step, but that is not what happened. The Sarney administration has been a perversion of the entire picture that was before us. I am going to work to develop the party. I am going to debate and spread our ideas as much as I can.

FOLHA DE SAO PAULO: Do you believe that the final blow to the prestige of your administration, with the intervention at BANERJ [Rio de Janeiro State Bank] and the accusations of a "grave train," may upset your future?

Brizola: There is not really anything there, in the form of a valid accusation or criticism, that can affect us. The BANERJ case was a political maneuver by the government just as we were turning off the lights. If it had had reason to intervene, it would have done so earlier. And the grave train simply does not exist. All the appointments, which are minimal in number, are for the good of the public. No state, regardless of how small, pursues as rigid a policy against job handouts.

FOLHA DE SAO PAULO: Are you a candidate for president of the republic?

Brizola: I am not yet a candidate for president. In a party like ours, a candidacy is a social movement, and it is beginning to emerge. Everything is crying out for us to return to the sources of our own sovereignty--for Brazil to get out of the quagmire and overcome the impasse. Great Britain held elections during the war and was stronger as a result. Until Brazil

holds elections, it will not overcome the crisis. And it may not overcome the crisis even with elections.

FOLHA DE SAO PAULO: Your party, the PDT, is still weak on the national level. How do you intend to strengthen it—in Sao Paulo, for example?

Brizola: I have no plans for strengthening the party. There is no path at the moment. The path must be built by walking it, but I am going to continue living in Rio de Janeiro and on the air shuttle to Sao Paulo, which is a very special context in itself. The unity of the federation is more important from the economic standpoint, and politically, it needs our contribution.

FOLHA DE SAO PAULO: If you were running in a presidential campaign today, what would you propose for solving the country's economic crisis?

Brizola: We are going to issue a national platform in black and white which will say that putting us in the government means that we will place children in the CIEPS and supplement meals for preschool children even in the mother's womb. That will require huge sums that will have to come from somewhere.

FOLHA DE SAO PAULO: From where?

Brizola: The money has to come from inside the heads of well-inspired men in public life. All we have to do is keep the currency from being debased by foreign indebtedness and privileged groups. Another plank will call for carrying out a vigorous program to ensure that within the next 15 years, the country can have 20 million new small and medium-sized properties. It will be the democratization of property, while the previous plank will represent the democratization of life and education. The PDT upholds the right to own property. It considers property ownership so good that it wants it for everyone. It considers education so good that it wants it for everyone: whites, blacks, and mulattoes. Everybody needs enough to eat.

FOLHA DE SAO PAULO: Your administration's greatest achievement was no doubt its establishment of the CIEPS. Even so, there is criticism of the high cost and of the lack of pedagogical planning, and it is said that they were set up with an eye to the elections. What do you have to say about this?

Brizola: It is always possible to criticize the CIEPS or any other public undertaking in some way. As the CIEPS took shape and we put more effort into the program, our opponents decided to impugn it with that kind of criticism. Prefabricated construction like that used to build the CIEPS is 30 percent cheaper than conventional construction. Considering the duty we owe our children, that is not expensive. What we are inaugurating here is called low-cost education. What we have is the minimum. Each CIEPS occupies at least one city block. The ideal space would be two blocks so that an ample playing field could be provided. As far as pedagogical planning is concerned, I am not qualified to speak on that subject, but children can learn only if they are fed—if they eat—not when they are full of parasites. Food and medical and dental care are prerequisites for education. As regards the criticism that this was a vote-getting ploy, that is the weakest accusation of all.

They say that we only build CIEPS along the main roads. That is absurd--they haven't seen the ones in the interior. The question of pedagogical planning has been turned over to a group of teachers constituting the best core of teaching experts in existence. Blessed is that kind of electioneering which is based on real achievements--which achieves something in the field of education. That is a foolish argument. I wish all governors would engage in that kind of electioneering. Establishing the cruzado and duping the people before the elections is worse.

FOLHA DE SAO PAULO: Don't you feel that the recent advertisements for the CIEPS which appeared in the FOLHA DE SAO PAULO, the JORNAL DO BRASIL, and the magazine VEJA prove that the CIEPS were built with a concern for the election?

Brizola: Publishing those advertisements was a moral obligation, because certain newspapers such as O GLOBO and certain radio and TV stations were saying very loudly that it was a lie: that we had not achieved our goal of 500 CIEPS. So we felt that we should publish the names and pictures of all the CIEPS. There were completed CIEPS, others that were under construction, some sites where only fences had been put up, and others where the ground had been leveled. But it's all the same, because in practice, all of them are prefabricated.

FOLHA DE SAO PAULO: Are you afraid that Governor Moreira Franco will not continue some of your priority plans such as the construction of CIEPS and sanitation for the Rio de Janeiro Lowlands?

Brizola: I am convinced that he will not continue with the CIEPS as we designed them. He will find 1,000 reasons and excuses for changing them. He will no doubt change even the children's food. He will go back to porridge and beef jerky, because all of that costs money. He may say that they are going to deal with the problem cheaply. That is the shortest route back to what we were before. If one governor builds 500 CIEPS, another builds another 500, and still another adds another 500, we will have CIEPS for every child in the state except those in the middle class, which prefers to have the same thing provided in private schools.

FOLHA DE SAO PAULO: The CIEPS were your administration's biggest success. What was its biggest mistake?

Brizola: Our biggest success was undoubtedly the CIEPS, which emerged during the campaign in the middle of the slums, where there were all those children in front of me. The CIEPS marked the final integration of educator Darcy (Ribeiro's) ideas and my own as a governor who had fought hard to study and learned from his own experience that education is essential. I must have made many mistakes as well, but no exceptional ones that stood out or had any effect. That is so true that if I had it all to do over again, I would do everything the same way.

FOLHA DE SAO PAULO: Was there anything that you wanted to do but were unable to achieve?



Brizola: I did not think that my relations with the Federal Government were going to be so bad. Before I took office, they had worked out an entire plan for creating difficulties for me. First the administration of the old republic and then that of the New Republic, although the latter was more sophisticated. Things were worse with the civilian government. The military were still experiencing strife, because when the military are in the government, they cannot go beyond limits without strife.

FOLHA DE SAO PAULO: Even so, at the start of the Sarney administration, you upheld it even though you have always attacked the New Republic. Why?

Brizola: It was natural that hopes should have been placed in Sarney. Almost everything being said here has also been said by me to him. I was clear in saying that in my opinion, his only chance of doing well was to share the view that his legitimacy lay in its temporary nature—to head a transitional government and set a date for elections. Only with free and authentic institutions would our people be able to build their future.

FOLHA DE SAO PAULO: To what do you attribute your party's defeat in the 1986 election?

Brizola: Who said there was going to be an election in 1986?

FOLHA DE SAO PAULO: There was one, Governor.

Brizola: You're right. I goofed like Montoro, my friend Montoro. Our performance was not what we had hoped, but we did progress nationally. The party received 5 million votes. In Rio de Janeiro, we received 500,000 more votes than in the previous election, for an increase of 36 percent, and we also did better in the interior. In the previous election, we won because our opponents were divided. This time they were united and even had the unrestrained support of the Federal Government, which prevented me from going on television to exercise my right to defend myself, and it did so out of pure partisanship by manipulating the electoral courts. The Superior Electoral Court showed partiality by interpreting the law deceitfully. Air time belongs to the parties, not their candidates. The intent of the law was so twisted that the rule involved will no longer prevail.

FOLHA DE SAO PAULO: To what do you attribute all that?

Brizola: To the oligarchies that fear us. Those people in the New Republic are afraid of elections. They treat us like the ugly duckling of Brazilian politics. They acknowledge good qualities in everybody else. They even think the PT [Workers Party] is cute. They treat Janio (Quadros) with dignity. They even let (Paulo) Maluf alone. I'm the one that big ESTADO (the newspaper O ESTADO DE SAO PAULO) whacks with all its might. Why? Because they fear a confrontation with us.

FOLHA DE SAO PAULO: You have compared the PMDB's victory in the 1986 elections to the victory by ARENA [National Renewal Alliance] in 1970. Where is the analogy?

Brizola: The two victories were similar. There was something extraordinary about them. ARENA was obviously a political movement in cahoots with the dictatorship and an accomplice in all the harm that was being done to the country. It is extraordinary that it should have won a majority vote. The people puffed it up so they could deflate it later. In the case of the PMDB, the Brazilian people know they were betrayed when Tancredo (Neves) died. It was a case of betrayal by omission. With Tancredo dead, its duty was to go to Sarney, offer him support in the transitional government, and set a date for elections.

FOLHA DE SAO PAULO: What do you feel should be the role of the Armed Forces? Should they act only in case of an external threat or also in response to serious domestic disturbance?

Brizola: Above all else, the Armed Forces must be rigidly subordinate to the institutions. And when we talk about institutions, we mean the civilian institutions, the Constitution, and the institutional mechanism of government. As far as external defense is concerned, that is obviously where their basic duties lie. They may also engage in many domestic activities. The Armed Forces are like the skeleton of a giant organism. Without them, that body cannot stand on its feet. The trouble lies in their deployment. It cannot be denied that the Armed Forces have duties to perform within a chain of command for safeguarding order and institutional normality. But they must not do so autonomously, as though they were a fourth branch of government; they must act in subordination to the institutions. When we have a de facto and legitimate government like the present one, the blame for what they are used for rests not on the Armed Forces but on the institutions--in this case, an executive branch that is not conducting itself in a legitimate manner. A legitimately elected president does not need to manipulate the Armed Forces to keep himself in power. He may indeed see to it that the Armed Forces are not used against him, but he can never use his authority over the Armed Forces to strengthen himself politically.

FOLHA DE SAO PAULO: Is that what happened in the recent occupation of the PETROBRAS oil refineries by the Army and of the ports by the Navy?

Brizola: I am not familiar with the mechanisms behind those decisions.

FOLHA DE SAO PAULO: What do you think of the parallel nuclear program? Are you in favor of Brazil's possessing the atomic bomb?

Brizola: I was more up to date on that topic a few years ago. At present, the administration of Rio de Janeiro has absorbed too much of my attention, and I have gotten somewhat out of touch. Having the capability to produce the bomb and keep it in reserve must be analyzed on the basis of circumstances. The United States says it has the bomb because of the Soviet Union, and the Soviet Union says it has it because of the United States. If we find out tomorrow that Argentina, Venezuela, or Peru has the bomb, it is natural that getting the bomb should become an imperative in our defense program. But that is speculation. I feel that Brazil must not miss the opportunity to fight to ban the bomb.

FOLHA DE SAO PAULO: You criticize the use of decree-laws and of the so-called authoritarian encumbrance. But you intervened in the hospitals during the doctors' strike, and you have vetoed bills passed by the Legislative Assembly. Couldn't those measures on your part be included under the same heading?

Brizola: We cannot confuse the exercise of democratic authority with authoritarianism. An examination of the two areas mentioned in your question would immediately lead us to identify the elements of an authoritarian nature on the one hand and those of a democratic nature on the other. In the case of the Federal Government, the biggest authoritarian encumbrance is the president himself. I say this with no intention of disparaging him personally. If he were elected, he would no longer be a legacy of the dictatorship. No one would object if he were to set a date for elections and then became a candidate himself. By failing to do so, he remains marked as a legacy of the regime that is obstructing the democratic process. In our case, I have my authority originating in my election. It is a governor's duty to safeguard essential services. If the unacceptable situation of a political strike arises--which is what we thought at the time and which was later proven to be the case--and deprives the population of medical care by interrupting an essential service, we make the decision to appoint not exactly an interventor but a secretary of state, representing the government as the civil authority, to step in. The leftist organizations were pursuing a destructive policy, and I had to stand up to them. Those were people who had been brought in at the end of the Chagas (Freitas) administration through an agreement by Miro (the PMDB candidate in 1982) with the Left. We are proving that it was a political strike by providing the Legislative Assembly with the demands that were that movement's rallying cry. The same deputies who were protesting before have now disappeared. The strike committees have lost interest, and the reason is that pursuing the issue would harm the new administration. They have changed only because their status has changed. I stood up to them with arguments, not with billy clubs. I never arrested anyone.

FOLHA DE SAO PAULO: If there were a direct election and you won, would you accept?

Brizola: I cannot answer that. First of all, there has to be an election, and then I have to be a candidate, and then I have to win. That is a lot of ifs. But if there are elections, the people will mobilize to such an extent that there will be no way to avoid accepting the result.

11798

CSO: 3342/103

## POLICY FOR STRATEGIC METALS SECTOR FORMULATED

Sao Paulo FOLHA DE SAO PAULO in Portuguese 20 Mar 87 p A-28

[Article by Amundsen Limeira]

[Text] Brazil is beginning to sketch out a specific policy on special metals, meaning materials that would be used to supply the aerospace, arms, and high-tech industries, which are regarded as strategic sectors because of their connection with the question of national security.

FOLHA DE SAO PAULO has learned that in response to suggestions from agencies in the national security sector, which have been seeking information on the subject since 1982, the National Council for Nonferrous Metals and Steel (CONSIDER), an agency of the Ministry of Industry and Commerce, has decided to include those metals in the Second National Plan for Nonferrous Metals, now in the process of being drawn up. Basic reports on each substance are being sent to research institutes, firms, and organizations linked to the sector so that their suggestions and additional input can be used in the final document.

### Selection

Besides the precious metals, 14 others were selected, among them cobalt, lithium, niobium, titanium, and vanadium. Some of those ores--niobium and titanium, for example--are abundant, and Brazil is in an advantageous position because of the worldwide distribution of reserves and the vulnerability of the consuming--chiefly the industrialized--countries. In the case of other metals such as molybdenum and cobalt, Brazil depends on imports. But in most cases, technological problems are hindering their efficient production.

### Cobalt

In the case of cobalt, which among its other applications is used in the treatment of cancer, the Votorantim Group's Tocantins Nickel Company has already announced its intention to begin producing that metal in the second half of this year. As its raw material, the firm will use its waste nickel, which has a high cobalt content (anodic mud) and which is obtained during the process of producing electrolytic nickel at the industrial unit in Sao Miguel Paulista, a neighborhood in east Sao Paulo.



## Projects

What exists specifically for the near future--meaning the next 2 or 3 years--are the integrated projects of the CBMM (Brazilian Mining and Metallurgy Company) and ELETROMETAL for producing metallic niobium and other refractory metals (zirconium, molybdenum, vanadium, and tungsten).

But the need to establish a national policy for this sector did not come about solely because of interest on the part of the national security sectors. It also arose out of the idea that Brazil must become involved in developing the applications of those metals in advanced industry, which requires sophisticated raw materials for technological development.

## Heavy Dependence on Imports

Cobalt, lithium, titanium, and vanadium are among the 14 special metals listed by CONSIDER for inclusion in the Second National Plan for Nonferrous Metals, which is currently underway.

**Cobalt:** A white silvery metal whose consumption, in global terms, is concentrated in the aerospace industry (32 percent of the total), followed by the electro-electronic industry (22 percent). Brazil is completely dependent on imports. The Tocantins Nickel Company will begin producing cobalt in the second half of this year, and the BP Mining Company has a plan for producing 240 metric tons of cobalt hydroxide per year in Minas Gerais by the end of 1990.

**Lithium:** The strategic value of lithium is linked to its use in connection with nuclear energy. It is used in the production of aluminum and lubricants. In Brazil, the reserves total 7,000 metric tons of metal contained in minerals, 90 percent of it in Minas Gerais. Domestic demand is estimated at 140 metric tons, of which 122 metric tons are imported.

**Titanium:** A very strong and highly corrosion-resistant metal. It can be used in metal or oxide form, and its main applications are in the aerospace and steel industries and in equipment for the chemical and petrochemical industry. As an oxide, it is used in dyes, varnishes, rubber, and plastics. The titanium minerals are rutile, ilmenite, and anatase. Brazil has modest deposits of rutile and ilmenite, but its anatase deposits (135 million metric tons of metal contained in mineral) are the only ones in the world. In addition to an expansion of concentrate production by Rutile and Ilmenite of Brazil, a member of the TIBRAS [Brazilian Titanium] group, which is controlled by Bayer, and the establishment of a concentration plant in Tapira, Minas Gerais, by the Rio Doce Valley Company (CVRD) to produce 200,000 metric tons per year, the CVRD has plans for setting up a pigment and titanium sponge plant in Uberaba, Minas Gerais.

**Vanadium:** This metal is used especially in the manufacture of specialty steels, consumption of which is associated with sectors that depend on the performance of the economy (transportation, machinery, and equipment) and with industries using more advanced technology, such as aerospace and the arms



industry. Vanadium is marketed mainly in the form of pentoxide, and all of Brazil's requirements are met by imports. The first vanadium pentoxide plant in Brazil will be that of the Odebrecht Construction Company, which expects to have it in operation by the end of 1989. Domestic consumption is currently in the neighborhood of 1,000 metric tons annually, and mineral reserves are estimated at 114 million metric tons.

11798

CSO: 3342/103

LABOR MINISTRY DRAFT BILL ON UNION ACTIVITY HIGHLIGHTED

Sao Paulo FOLHA DE SAO PAULO in Portuguese 10 Apr 87 p A-27

[Text] The bill on collective labor relations, in the final phase of preparation by the labor minister, Almir Pazzianotto, calls for complete freedom to organize trade unions which, in fact, paves the way for the establishment of union pluralism (the formation of more than one union to represent the same occupational category). The labor entities will also have freedom to engage in economic activities currently prohibited by the legislation, such as creating companies, and purchasing and leasing real estate properties.

Today, the General Central Organization of Workers [CGT] executive commission meets in Brasilia to discuss the new bill on union organization and the government's law on strikes. Earlier, however, the head of CGT, Joaquim dos Santos Andrade, will meet with Minister Pazzianotto to debate the issue.

Proposals

The Ministry of Labor's bill has slightly over 50 articles. The first part is reserved for organization of the unions; the second, for regulation of collective negotiations; and the third, for the right to strike. Following are some of the main points in the proposal:

1. Free union organization: It will be incumbent on the workers to decide whether they want to be represented by one or more unions, as occurs in countries such as Italy, for example. At present, the law stipulates trade union unity, that is, one union representing each category in the same territorial base. The proposal enables the unions to engage in political partisan activities, and even to back candidacies in elections to the executive and judicial branches, banned in the current legislation.

2. Union dues: The bill calls for the gradual abolishment of the union tax in 5 years, at the rate of 20 percent annually. The reduction begins the year after the passage of the law by the Congress. The unions will be able to create dues to replace the revenue generated by the tax, set by the bylaws or established in assemblies of the occupational category. The bill must provide for the compulsory requirement for the business firms to collect the workers' dues and present them to the unions. The unions may engage in economic activities as an alternate source of income.

3. Public servants: There will be special legislation in which the right to organize unions or not will be determined.

4. Collective bargaining: It will be incumbent on the union, if it is the only one, to represent the occupational category in the negotiations with employers. In the event that there is more than one union representing it, it will be a compulsory requirement to form a commission to direct the agreements with the employer.

5. Union bylaws: Each union will freely determine its internal organization. Unlike the present legislation's requirements, the directors and presidents may receive salaries paid by the union, based on the discretion of each entity.

6. Punishment of leaders: The application of penalties to union leaders who violate the laws ceases to be a prerogative of the Labor Ministry, and is transferred to the jurisdiction of the Regional Labor Courts [TRT] or Superior Labor Court [TST]. Example: In case of a strike, the prosecutor of labor justice requests measures of the TRT's or TST. Depending on the offense, the trade unionist may be tried on the basis of the civil code or the penal code.

2909

CSO: 3342/110

## POLLS SHOW PREFERENCE FOR PRESIDENTIAL SYSTEM, OPPOSITION TO STRIKES

### Views on System, Constitution Reported

Rio de Janeiro O GLOBO in Portuguese 19 Apr 87 p 5

[Text] Presidentialism, but a "moderate" presidentialism with direct elections for president and reelection, instead of parliamentarism, is the preference of the majority of the voters interviewed in the metropolitan areas of Rio and Sao Paulo, in a poll taken by the Gallup Institute. For this type of government to succeed, most of those interviewed think that the president of the republic should have the right to dissolve the Congress and call for new elections if he is prevented from governing by the congressmen. The Congress, in turn, would have the power to demand the dismissal of ministers who are not discharging their duties well.

The poll included 1,349 voters interviewed personally in their residences. Those interviewed were selected through a probabilistic area sampling (consecutive drawings of sectors, city blocks, and residences), and stratified according to sex, social class, and age. For greater security, one out of every five interviews conducted by each interviewer was redone to compare the information procured.

Whether they be advocates of presidentialism or parliamentarism, the members of the Constituent Assembly who will decide on the type of the country's government should begin by heeding one fact underscored by the Gallup poll: Only one out of every five adult persons in the Rio-Sao Paulo axis knows the difference between presidentialism and parliamentarism. Of the 21 percent interviewed who proved to know the distinction between the two types of government, the majority (11 percent) prefer presidentialism, compared with 8 percent who back parliamentarism; and 2 percent refused to express an opinion.

The separation based on social level shows that the largest percentage of information on the difference between the two types of government is found among those interviewed from class A (55 percent of those of this social class queried actually know the difference between parliamentarism and presidentialism); and the majority (28 percent) support the latter type, compared with 21 percent who are in favor of the parliamentarist system.

The advantage of the presidentialist system is also noted, although by a slim margin, among class B: Of the 40 percent from this class interviewed who proved to know the difference between the systems, 20 percent are in favor of presidentialism, while 17 percent expressed approval of parliamentarism. The advantage of presidentialism is maintained in class C (12 percent as opposed to 7), and classes D and E (3 to 2 percent); still, reckoning only those who proved to know the difference between the systems.

But, whether they be for presidentialism or parliamentarism, those interviewed by the Gallup Institute pollsters made it clear in their responses that they would like the country to have a type of government in which there would be a balance between the executive and legislative branches. For example, 71 percent of the total queried think that the president should be entitled to dissolve the Congress and call for new elections, if deputies and senators are preventing the government from acting. That tendency is countered only among those interviewed from class A: 52 percent of them are opposed (47 percent are in favor) to the dissolution of the Congress by the president; which has the backing of 64 percent of those from class B, 71 percent among those in class C, and no less than 79 percent among those queried belonging to classes D and E.

But, while they favor the president's being able to dissolve the Congress, those interviewed by Gallup think that the deputies and senators should have the right to dismiss the ministers who have been implementing a policy contrary to the interests of the majority of the population. That is the opinion of 90 percent of the total number interviewed and, this time, there is no significant difference between the individuals from the various classes; because the proposal has the support of 87 percent of those interviewed from class A, 91 percent of those from class B, 91 percent of those queried from class C, and 89 percent of those interviewed from classes D and E.

To be approved by 94 percent of Brazilians of all social levels, presidentialism must stipulate direct elections for the holder of the country's highest position. In the presidentialist system most desired by those interviewed in the Gallup Institute's sample, the president of the republic would be entitled to be reelected: the proposition has the support of 89 percent of those queried. It also has a homogeneous distribution among persons from all cultural levels, being approved by 91 percent of those with secondary schooling, 90 percent of those with higher education, and 85 percent among those who had only primary schooling.

#### Interviewees Want to Participate in the Constituent Assembly and Have Hope

The ignorance shown by those interviewed in the poll taken before the elections (September 1986) by the Gallup Institute of the function of a Constituent Assembly did not prevent those interviewed in a new poll (which, however, used the same methodology), in December 1986, from evincing a great desire to participate in the preparation of the country's new Constitution. From what could be concluded from the 2,507 interviews held throughout Brazil by the Gallup researchers, the Brazilian population has great hope that its life will change for the better with the new Constitution, and wants to lend its cooperation so that changes may be made in the country.



That desire for change prompted 37 percent of those interviewed to request a Constitution entirely different from the current one; which, added to the 32 percent who want a new Constitution only slightly different from the present one, shows that 69 percent of Brazilians want the Constituent Assembly to amend the Constitution in effect. Only 9 percent of those interviewed said that they wanted a new Constitution similar to the present one, and 8 percent of those queried by Gallup believed that Brazil does not need a new Constitution.

The desire for changes is heightened as the level of schooling rises: 69 percent of those with higher education want to participate in the preparation of the Constitution; a percentage which drops to 41 percent among those with only primary level schooling. At the other end of the opinions, 54 percent of those with only primary level education think that the new Constitution is a matter only for deputies and senators, and that the people have no role to play in its preparation. That opinion is shared by only 26 percent of those interviewed with a higher educational level.

The hope that there will be changes is also reflected among the overwhelming majority (88 percent) of Brazilians, who want to see the constitutional debates carried on television. Of that number, 62 percent claimed to have a "great interest" in listening to the debates, and 26 percent would have some interest. Among those who showed "great interest," 76 percent have higher education, 72 percent are from class A, and 65 percent live in the Southeast region.

Of those interviewed by the researchers, 75 percent think that the new Constitution should be submitted for the people's approval, while 24 percent considered this unnecessary. That view managed to have a homogeneous index of approval among all social classes: 70 percent in class A, 70 percent in class B, 76 percent in class C, and 70 percent approval in classes D and E.

Key to Chart 1:

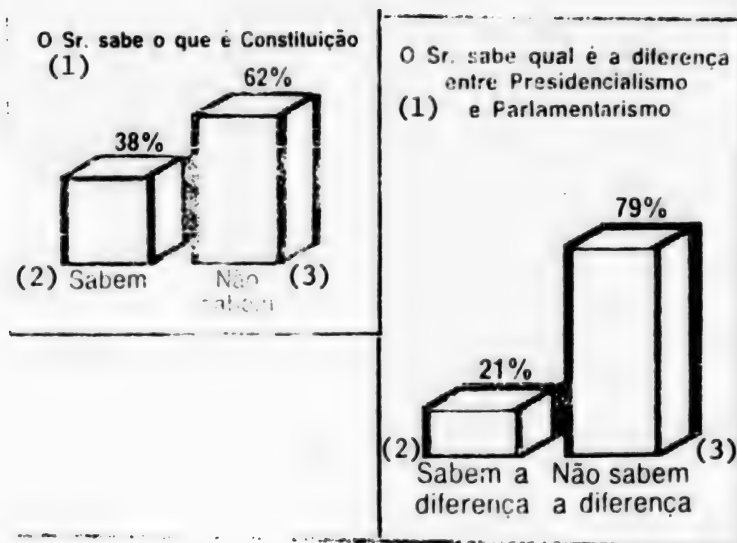
1. Do you know what a constitution is?
2. Know
3. Don't know

Key to Chart 2:

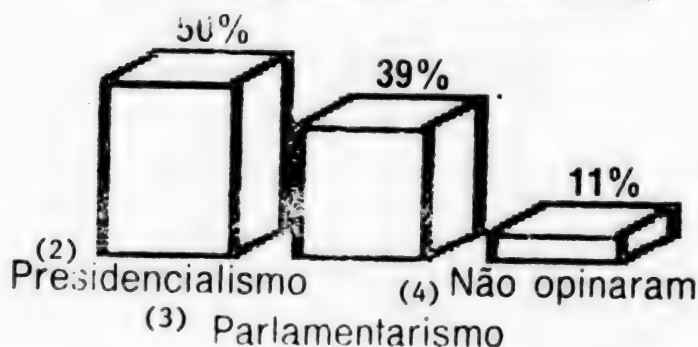
1. Do you know the difference between presidentialism and parliamentarism?
2. Know the difference
3. Don't know the difference

Key to Chart 3:

1. Among those who know the difference between the systems and know what a constitution is (22 percent of those interviewed)
2. Presidentialism
3. Parliamentarism
4. No opinion



(1) Entre os que sabem a diferença entre os regimes e sabem o que é Constituição (22% dos entrevistados)



#### Attitudes Toward Strikes Cited

Rio de Janeiro O GLOBO in Portuguese 19 Apr 87 p 7

[Text] The majority of the Brazilian urban population are opposed to the use of pickets in strike movements (65.9 percent), consider work stoppages detrimental to democratization (54.8 percent) and to economic development (66.7 percent), and think that the workers should seek negotiations, avoiding strikes (83 percent). These are the results of the poll taken by IBOPE [Brazilian Public Opinion and Statistics Institute] from 11 to 14 April, querying 750 persons over age 18 in Greater Sao Paulo (300), Greater Rio (300), and the Federal District (150). Those interviewed were selected from different branches of activity, income brackets, areas of residence, and age and sex groups.

Nearly all those interviewed (93.6 percent) think that wages are not commensurate with the cost of living. Strangely enough, women provide the highest (7.1 percent), and those with the largest income the lowest (3.5) index of approval for

the wage-cost of living ratio (7.1 percent). The trade unions are acknowledged by 55.9 percent as organs to protect the workers' interests, with 33 percent disagreeing with this. Striking is a valid alternative for struggle in any category of employment, based on the view of 44.2 percent; but 27.6 percent oppose strikes which harm the population, and 25.4 percent reject them. As for the recent strikes, 81.4 percent rate the workers' demands as just.

A total of 30.9 percent of the persons queried by IBOPE come out in defense of pickets, differing from the 65.9 percent who condemn them. The youngest, with 36.2 percent, are the ones contributing the greatest support to the "picketers," while the oldest (70.7 percent) are the ones who regard their use as unjust, in which they are accompanied by individuals of lower income (70 percent).

While 54.8 percent think that strikes are harmful, 19.5 percent claim that they do not interfere, and 18.6 percent believe that they benefit the country's democratization. Those percentages retain a balance among all groups, varying, in the condemnation, from 49.1 percent among the youngest to 58.3 percent among men.

In the realm of economic development, in contrast to the 66 percent who claim that the work stoppages are detrimental, 16.5 percent think that they do not interfere, and 9 percent view them favorably. Here, too, the men show a greater critical position, with 73 percent, while only 59.9 percent of the women agree with them.

Much of the investigation was devoted to the most recent movements. Two thirds of those queried are of the opinion that the workers tried to negotiate before the strikes (72.3 percent), but that the employers did not make an effort to prevent the work stoppages (70.8 percent). Disagreeing with them were 17 and 20.6 percent, who thought that the employees did not try, and that the employers tried to negotiate. With regard to the government's action, 37 percent deem it fair, and 36.7 percent, very poor. Only 1.8 percent cite it as optimal, and 6.9 percent, as good. In the view of 54.3 percent, strikes benefit the workers' gains, while 26.7 percent claim that they harm them.

The only polarization in the poll occurs with respect to the military intervention in ports and refineries: 50.2 percent describe it as unnecessary, and 40.7 percent support it.

Particular heed was paid to the disturbances at the Brazil Labor Confederation, when the engineers' strike began. The majority were aware of the incidents (68.2 percent) the blamed the Railroad Police for the violence (25.9 percent). Others claim that the engineers (16.5 percent) or the users (12.5 percent) were to blame.

The index of trade union organization among those interviewed is relatively low (19.3 percent), while the unemployment is high (35.6 percent). The unemployment is greatest among women (57.3 percent), those over age 40 (46.8 percent), those under age 24 (33.1 percent), and the residents of Greater Rio (39.7 percent). The trade union organization is greatest among men (28.5 percent),

persons between ages 25 and 39 (22.1 percent), and those with income exceeding five wages (27 percent). Greater Sao Paulo, however, (with 19.7 percent) does not show an index significantly higher than that of Greater Rio (19 percent) or the Federal District (16.7 percent).

The poll queried 51.8 percent men and 48.2 percent women, 25.7 percent youths between ages 18 and 24, 41.6 percent of those between ages 25 and 39, and 32.7 percent of persons over age 40. Half of those interviewed (50.2 percent) earn over five minimum wages, 29.9 percent earn from two and a half to five wages, and 19.6 percent are in the lower wage bracket.

Key to Chart 1:

1. In your opinion, is it just or not for striking workers to obstruct their fellow workers by using pickets?
2. It is just
3. It is unjust
3. Don't know

Key to Chart 2:

1. Do you think that the recent strikes harm, benefit, or don't interfere with the process of the country's democratization?
2. Harm
3. Benefit
4. Don't interfere
5. Don't know, no opinion given

Key to Chart 3:

1. Do you agree or disagree that, based on the difficulties being experienced by Brazil, the workers should seek negotiations, avoiding strikes?
2. Agree
3. Disagree
4. Don't know
5. No opinion given

Key to Chart 4:

1. In your opinion, have the workers' wages been commensurate with the rising cost of living, or not?
2. They have
3. They have not
4. Don't know

Key to Chart 5:

1. Do you consider striking a valid alternative for workers to procure their demands?
2. Yes, in any job category

3. Yes, except those which could harm the population.
4. Do not consider striking a valid alternative
5. Don't know

Key to Chart 6:

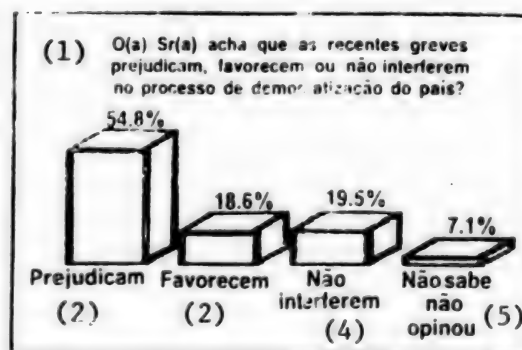
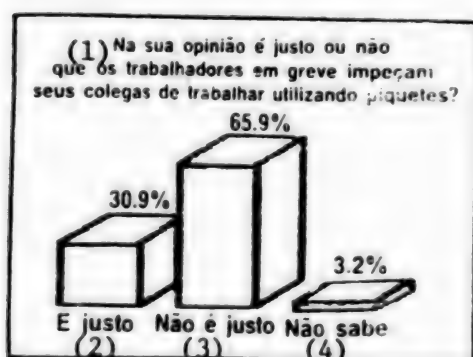
1. In connection with the recent strikes, generally speaking, do you agree with the following assertion: the workers tried to negotiate before the strike?
2. Agree
3. Disagree
4. Don't know
5. No opinion given

Key to Chart 7:

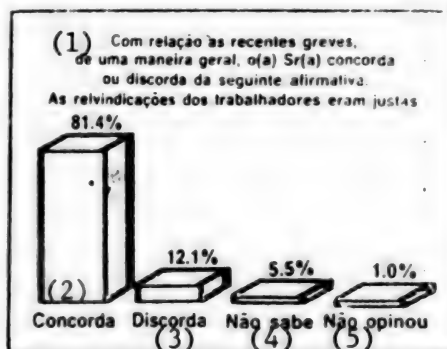
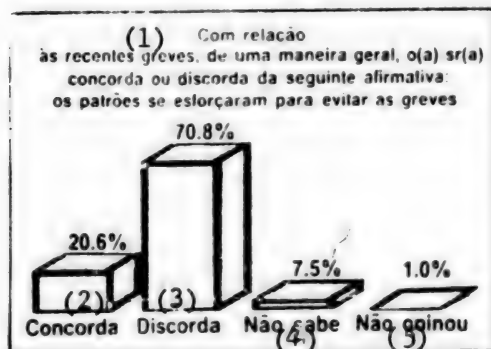
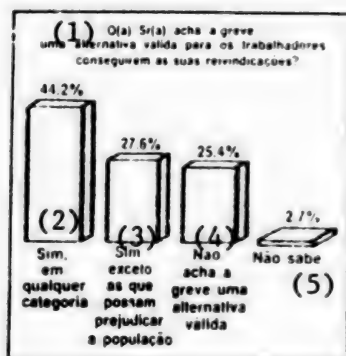
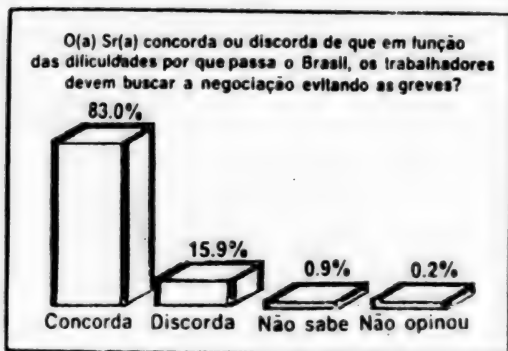
1. In connection with the recent strikes, generally speaking, do you agree or disagree with the following assertion: the employers attempted to avoid the strikes?
2. Agree
3. Disagree
4. Don't know
5. No opinion given

Key to Chart 8:

1. In connection with the recent strikes, generally speaking, do you agree or disagree with the following assertion: the workers' demands were just?
2. Agree
3. Disagree
4. Don't know
5. No opinion given







2909

CSO: 3342/110

## BRIEFS

**ANTARCTIC RESEARCH PROGRAM--Brasilia--**This year the Antarctic Program has 240 million cruzados with which to defray the cost of scientific research and finance the first phase of the new polar exploration ship, whose construction is currently the object of a call for tenders by the Ministry of Navy. The ship, which is to be built within 2 years, will be the fourth Brazilian vessel equipped to navigate in frozen water and intended solely for research. The other three are the Barao de Teffe, the Almirante Camara, and the Professor Besnard. The Professor Besnard belongs to the University of Sao Paulo. According to Laurentino Batista, 37, of the National Council for Scientific and Technological Development (CNPq), the scientific research policy for the Antarctic includes three priority areas of activity: a study of the "living" resources (especially krill--a type of shrimp with high nutritional value--penguins, and other endangered species), mineral resources (mainly petroleum), and atmospheric behavior, including meteorology and the propagation of radio waves. He emphasized meteorological research, since many droughts and floods in Brazil originate on the Antarctic continent. The winter mission will begin this week when 12 people will occupy the station for 9 months and carry out atmospheric research. The chairman of the CNPq, Crodowaldo Pavan, will arrive in Brasilia today following a 2-day visit to the Comandante Ferraz Station. [Text] [Sao Paulo FOLHA DE SAO PAULO in Portuguese 17 Mar 87 p A-17] 11798

**SNI 'SCRAMBLER' IN PALACE--Brasilia--**It was the National Intelligence Service (SNI) itself which attached a "scrambler" (speech mixer) to the telephone used by President Jose Sarney so as to prevent his conversations from being recorded by spies. That was announced yesterday by the spokesman for the Office of the President of the Republic, journalist Frota Neto, who denied the existence of electronic espionage in Planalto Palace. According to the press secretary, the SNI installed the scrambler to prevent the risk of "leaks" from the president's conversations. The spokesman said: "Telephone tapping is technically possible, as anyone can see just by looking at the advertisements by private detectives. To guard against the danger of wiretapping by individuals and of crossed signals, the SNI itself took the precaution of installing the device on some of its lines and on that used by President Sarney." Frota Neto said that President Sarney's use of the device has nothing to do with electronic espionage. He said that General Ivan de Mendes, chief of the SNI, "has been saying repeatedly that the 'service' does not listen in on telephone conversations. Everyone can rest assured that the SNI

is not tapping anybody's telephone." Calling the idea that the SNI is spying on the president's conversations "childish," Frota Neto again referred to statements by Gen Ivan Mendes that he would resign on the day that he lost the president's confidence. [Text] [Sao Paulo FOLHA DE SAO PAULO in Portuguese 19 Mar 87 p A-5] 11798

CSO: 3342/103

1986 ECONOMIC BALANCE; EXTERNAL DEBT PROGRAM DISCUSSED

External Debt Program

Bogota NUEVA FRONTERA in Spanish 30 Mar 87 pp 13-16

[Article by Gabriel Rosas Vega]

[Text] A few days ago, CONPES [National Council for Economic and Social Policy] approved the external debt program for the current year. According to the plan, there will be \$3,054,700,000 in commitments and \$1,981,100,000 in cash disbursements.

Sectorial distribution of the new transactions shows a large share going to the electrical sector, \$1,639,700,000. Some \$2,509,000,000 correspond to specific projects and \$1,388,000,000 to sectorial credit to achieve reorganization of the sector. Equally important are: the sectorial water program, \$200 million; support for the Agricultural-Livestock Financial Fund, \$100 million, and the DRI [Integrated Rural Development Program] Fund, \$21.3 million; rehabilitation of the Aguablanca District in Cali, \$8.3 million; resources to finance microenterprises, \$7 million; the National Rehabilitation Plan, \$130 million; the Sectorial Highway Project, \$190 million; consolidation of the National Health System, \$10.3 million; and equipment for the educational sector, \$42.5 million.

These transactions total \$709.4 million, 51 percent of the commitments to be acquired, excluding the electrical sector.

The remaining sectors include: defense (\$98.5 million); financial support for the central government through the issue of external bonds, \$120 million; mining, \$271 million; and communications, \$158.1 million. (Footnote 1) (DNP [National Department of Planning] External Public Debt Program, 1987, Mimeograph)

According to economic authorities, the total disbursements, \$1,981,100,000, facing amortizations estimated at \$1,147,200,000, would mean a 7.4-percent increase in the foreign debt of the country in 1987. Assuming the plan is completely carried out, the consolidated balance would be \$11,980,500,000.

According to the official statement, the goals established are based on government priorities, existing credits, timetables for investment projects, and the overall goal of public external debt.

The last, perhaps the most worrisome aspect of the debt, is related to calculations made to verify the degree of exposure of the Colombian economy to the demands of a higher debt. This yields the following figures. Assuming a 4.5-percent growth of the real PIB, the debt would represent 34.3 percent of the PIB at the end of 1987. In relation to estimated exports, the debt service would require 41 percent of the foreign currency.

Both percentages compare favorably with those of other Latin American countries. In Argentina, the size of the debt as a percentage of the PIB is about 45 percent. In Brazil, it is more than 36 percent, in Ecuador--71 percent, in Mexico--47 percent, and in Costa Rica--110 percent. However, it is a fact that its growth and importance in our case make the management of this front of the Colombian economy difficult. Allocating 41 cents of every dollar that comes in to debt service, leaving less than 59 cents to finance the development of more than 25 million people, really compromises the social and economic stability of the country. It must also be kept in mind that the budget of the central government, approximately 25 percent of total expenditures, must be used to pay the debt service. Also more than 30 percent of the current revenue of the country already has a specific destination: to pay debts.

According to reflections made during discussions of the Public Expenditure Commission, it should be pointed out that, when using external resources to directly or indirectly finance the import of goods and services, there is a real transfer of external savings which increases economic resources and, consequently, the capacity for aggregate expenditure. However, when those resources are used to defray expenses in national currency and the counterpart in foreign currency is accumulated as reserves, this transfer does not occur and the net monetary effect is equivalent to a primary emission. In this case, the monetary authority might take compensatory contractive measures for reasons of domestic stability. Limiting the domestic supply of funds pressures interest rates and produces displacements in the private sector just as if the public credit resources had been obtained from the domestic market.

The cost of these external credit operations increases by more than just the interests of the international market and the risk of exchange. Because of the compensatory measures to freeze liquidity (exactly what happened at the end of 1986), they have their own costs, whether due to the profitability needed to carry out operations on the open market or due to the cost of contractive measures for the financial market.

The commission indicated that, in order to give greater flexibility to the management of public credit, it is necessary to use external and internal credit as replacement or complement, based on circumstances. The appropriate plan naturally depends on domestic price stability, the relative congestion of both markets, and the situation and prospects of the exchange balance.



Getting back to the main topic that concerns us, it is appropriate to briefly outline the most outstanding aspects of the sectorial distribution of the disbursements as well as the loans and the entities the resources will be obtained from. With that information, it will be possible to clearly identify the government's orientation in this field as well as the risks that can be foreseen in light of that orientation.

Following the classification of the DNP, it is possible to group the external credit operations based on expected disbursements. First of all, the category of general programs includes the multisectorial loans that will take care of the government's basic priorities such as the National Rehabilitation Plan and the issue of external debt bonds to finance the national budget. These disbursements total \$174.6 million.

Second, disbursements for the water and sewage sector are estimated at \$92 million. The following projects have priority in this sector: Bogota IV and Ciudad Bolivar; Rio Grande in Medellin; expansion of the water and sewage system in Barranquilla; the Cucuta water and sewage plan; expansion of water and sewage services in Cali; and the recent initiation of the first stage of the Aguablanca District.

Third, not by priority but on the list, is the agricultural-livestock sector. Its disbursements will be aimed at financing agricultural-livestock research, adapting irrigation districts that will make it possible to incorporate 63,700 hectares to production, and rehabilitating seven irrigation districts with emphasis on small irrigation projects to benefit the small producer. Phase II of the DRI strives to give credit and technical assistance to 19,700 land users and advance important programs of production support.

Fourth, credits to the communications sector are aimed at guaranteeing the expansion of local telephone service, mainly in Antioquia Department and the cities of Medellin, Cali, and Bogota. Also the 1987 credits will meet the minimal development needs of the sector in the coming years, according to the DNP.

Fifth, the disbursements allocated to the so-called regional and urban development sector should be mentioned. The reinforcement of state participation in special projects like Ciudad Bolivar in Bogota and Aguablanca in Cali that seek the integral improvement of large underprivileged zones in these cities is part of the program to rehabilitate subnormal settlements and create new human settlements.

One credit channeled through the BCH [Central Mortgage Bank] will reinforce the policy to decentralize and financially strengthen the municipalities so that they can execute the local urban development projects.

Sixth is the educational sector where five entities advance four programs partially financed with external resources through eight credits totaling \$45.7 million.

The electrical sector plans to receive disbursements totaling \$48.6 million in 1987. The objective of these resources is to finance the foreign currency

needed for projects on electrical generation, transmission, and distribution. The generation projects, according to the DNP, correspond to plants now underway. The transmission and execution projects will help handle most of the country's excess installed capacity and increase the coverage of electrical service, especially in the rural areas, a priority sector for rehabilitation policies.

The external debt program for the industrial sector consists basically of lines of credit from multilateral organizations. The objective is to finance imports of machinery and equipment that the expansion and modernization of productive capacity require.

Disbursements of external credit to ECOPETROL [Colombian Petroleum Enterprise] this year (\$15.4 million) will be used for its investment program which will cost \$420 million. The main activities are exploration, the Llanos pipeline, and secondary recovery in Casabe.

CARBOCOL [Colombian Coal, Inc.] will have \$121.2 million for its coal exploration programs (\$2.5 million) and operating costs and investment in the Cerrejon Zona Norte project.

About \$28 million are for the health sector. These resources will be allocated for acquiring equipment for the cancer program and reinforcing the primary care level, strengthening and expanding coverage of the National Health System in lesser developed areas, and acquiring parts for the rehabilitation of hospital equipment.

Financing the Medellin Metropolitan Train which will be allocated the considerable sum of \$175 million has priority in the transportation sector.

Estimated disbursements for the National Road Fund total \$33.9 million with \$15.4 million for the National Fund for Local Roads. Construction, maintenance, and rehabilitation of the national road network and rural roads and support for the road programs of the National Rehabilitation Plan make up the main nucleus of financed activities.

Disbursements for National Railways (\$27.5 million) and COLPUERTOS [Colombian Ports Enterprise] (\$20 million) will be aimed at strengthening the rehabilitation programs of these entities.

Last, disbursements of \$156 million are planned for defense. They correspond to programs to acquire equipment for the Armed Forces.

In light of the preceding information, it is feasible to indicate that, despite the serious limitations imposed by programs in progress which are very expensive and perhaps do not have priority--like the electrical sector and the Medellin Metropolitan Train--the program of disbursements for this year reveals to some extent the intentions and aims of the Executive Branch to redirect its actions. The \$174.6 million allocated to general programs and the \$92 million and \$251.8 million that can be channeled for water systems and the agricultural-livestock sector endorse the above statement. Although a different strategy from the one outlined might be desirable, it is impossible

to ignore continuity in this process and the slowness that characterizes the loan systems. Therefore, the observation of one of the spokesmen of the Conservative Party appears to be illogical. He expressed his perplexity and opposition to the plan since, from his demanding and particular viewpoint, the entire scenario should be changed. That is not possible.

From another viewpoint, I must point out the great concern caused by the strategy because of repayment of the debt commitments. Too many of the plans or projects to be financed with external credit are not net producers of foreign currency. This is difficult to foresee but of great importance for handling the public external debt in coming years. It should be carefully analyzed because the success or failure of the future economic policy depends on the availability of foreign currency.

It is quite clear and we must all be aware that in order not to drown in the process, we must generate enough foreign currency to honor the debt and finance development. By increasing the use of external loans for projects that consume foreign currency--like the Metropolitan Train and some of the expenses for the educational sector, communications, and even the BCH--we might quickly find ourselves in a real bottleneck and hindered from handling the situation due to a lack of foreign currency. This important aspect of external credit should be examined.

#### 1986 Economic Balance

Bogota NUEVA FRONTERA in Spanish 16 Mar 87 pp 19-22

[Article by Gabriel Rosas Vega]

[Text] The article in the last issue of this magazine based on preliminary reports and data on the results of national economic activity in 1986 reviewed the monetary, tax, and external fronts. At this time, it is appropriate to discuss the interest rates, price behavior, employment situation, and evolution in the so-called real sector of the economy.

Based on the good performance of trade operations abroad, particularly coffee, the domestic production of goods and services, the cost of money, and, to a certain extent, prices showed positive trends although they might conceal structural problems.

Employment, the most serious problem that the national system faces despite the good results achieved by the productive sector, unfortunately did not show definite and consistent signs of recovery. A slight slowdown in the deterioration of the rates in the second half of the year kept the result from being completely precarious and bad for the social stability of the country. Although the statistics are somewhat delayed, the unemployment rates in the main cities went down in the third quarter after the poor performance observed in previous periods. However, I must stress that this is not consistent with the evolution of the productive sector because this did not result in a similar growth in employment.

## Interest Rates

According to the DNP, the passive and active interest rates in 1986 reached one of the lowest levels in this decade. The effective rate of placement of certificates of term deposit was about 31.3 percent, 4.5 points below the average between 1980 and 1985. The average active rate went down 3 points compared to the rate before the control provisions. The annual rate was about 43.6 percent.

The factors that caused this situation can be summarized as follows: the lower rate of devaluation and the drop in external interest rates made international financial shares less competitive. This stimulated the supply of available funds. To some extent, this led the capital that left to return and also led to a higher private external debt. The monetary supply, as described in the previous article, was above the necessary percentages of liquidity to carry out transactions in a relatively expansive economy the entire year. This produced greater credit availability and, therefore, pressured the drop in the interest rate.

Different methods were used to handle this variable during the year, going from a system of administrative controls established in January to another of freedom in June. However, accommodation to the market situation, aided by these circumstances, made it possible to reach the above mentioned levels.

In the last months of the year, as a result of expectations about the future behavior of consumer prices and the demanding measures of monetary control imposed to prevent surplus means of payment, the trend in interest rates changed. They began to rise. Despite some moderation at the beginning of the year due to traditional liquidity, this trend should continue once this cycle is over.

## Prices

At the end of 1986, the general consumer price index recorded an increase of 20.9 percent, even lower than government forecasts. Although this offers limitations and difficulties as a trend indicator, it does reveal the efforts made to avoid the disaster of galloping inflation. However, it cannot be taken as an obvious demonstration of the success of a policy aimed at achieving stability.

Due to the structure of the index and the peculiarity of the patterns of Colombian consumption, variations in the cost of living are almost always tied to the behavior of food prices, especially a small group of products. In other words, the cost of living index depends to a great extent on what happens with foods, particularly potatoes, meat, and a few others.

Under these conditions, the cycles of agricultural-livestock production, the size of the crops, and the influence of goods from abroad brought in legally or smuggled in are decisive in the analysis of the problem of prices. In the first half of last year, the rate of growth went down about 9 points due to the fact that food price increases went from 27 percent to approximately 10 percent between December 1985 and June 1986. To the extent that the prices of



these articles recovered their normal rates of growth, the global rates of inflation went up to 20.9 percent as noted at the beginning. The other products in the family market basket were relatively stable during the period analyzed, cushioning the destabilizing effect of these foods.

Although I accept and recognize the reasonable behavior of this rate, I do not feel it is appropriate to cling to it as the revealed truth of the performance of the economy, much less use it to try to hide more profound realities. Ignoring the underlying truth of the precarious situation of the agricultural-livestock sector, orphan of medium and long-term development policies, is like trying to hide the sun with your hands and making up the list of achievements.

### Employment

As I noted at the beginning, despite the relative improvement of the employment indicators at the end of the year, this continues to be the most critical national problem. What is worse is that there are no clear signs of concrete action aimed at solving it.

The latest available data on unemployment show that the rate went down in the main cities from more than 15 percent in the middle of the year to 13.3 percent. It should be observed, however, that these percentages are influenced by seasonal factors--more expenditures at the end of the year, for example--and by certain behavior of the economic agents that greatly alters the rates during short periods of time. To cite only one case, here is what FEDESARROLLO [Federation for Development] states about the matter: "Although both the labor supply and demand for different occupations are sensitive to the levels of economic activity, the first phenomenon tends to get ahead of the second, especially in the formal segments of the economy, as the economic situation changes. Salaried employment in the secondary sectors is relatively slow to react. These sectors wait for increases in productivity and only gradually hire, first temporarily and then permanently. Through these mechanisms, the enterprises postpone the permanent hiring of personnel until the growth in demand and production are guaranteed."

In view of this circumstance, it is necessary to evaluate the results obtained in order to avoid unfounded optimism.

### Real Sector

In an unusual technical deployment that made it possible to estimate the 1986 PIB by branches of activity in only 1 month, the DNP calculated that the PIB grew about 5 percent in 1986. This compares favorably with the rate in the first half of the 1980's and is close to the historic rate observed in the last two decades.

According to the DNP, the recovery of the foreign markets and the strengthening of domestic demand were the basic reasons for the increase in the PIB. According to preliminary estimates, real exports grew more than 17 percent, regaining their level at the end of the previous decade. The DNP said that the change in external accounts favorably influenced domestic demand and the expectations of the economic agents. Based on this and the good



behavior of food prices, family consumption as well as private investment recovered appreciably which helped make the productive sector even more dynamic. The growth of production was stimulated by protection of domestic production based on evaluation of the real rate of exchange and the adequate supply of complementary imported goods. After the acute crisis period, the manufacturing sector began to recover, particularly in sectors devoted to replacing imports. Industrial revitalization in 1986 can be estimated at a growth of about 7 percent measured in real terms, compared to 1985 which was also satisfactory.

Statistics from DANE [National Administrative Department of Statistics] indicate that the main increases were in the subsectors of leather and leather products (26.5 percent); plastics (22.4 percent); clay, china, and porcelain products (16.2 percent); basic nonferrous metal industries (17.4 percent); and transportation equipment (15.5 percent).

Nevertheless, some production sectors remained in difficulty like wood furniture, clothing, and petroleum derivatives and coal whose real production went down 11.07 percent, 3.5 percent, and 4.6 percent respectively.

Smuggling from Venezuela and the deterioration of the international prices of some food products definitely influenced the stagnation in the subsector of foods which is the largest in the manufacturing sector.

Although the sectorial composition of the growth is not yet known, the latest monthly manufacturing survey indicated that the production of intermediate goods grew at a real rate of 9.3 percent. Capital goods grew 13 percent as a result of the lower imported content of public investment and the recovery of private investment. The production of consumer goods apparently grew at a lower rate (4 percent).

According to the DNP report, the agricultural-livestock sector increased its production by 2.2 percent last year. Such mediocre results are explained by climatic factors that affected the coffee crop, the small planting of the first half of the year, the poor behavior of livestock production, the difficulties inherent in the insecurity that is "acclimated" in the rural area, and the lack of clear policies for the sector.

The production of potato, sorghum, and soybean were the most important and outstanding sectors.

Continuing the trend begun recently and due to the size of the investments made, mining production increased about 27 percent in 1986. Such an excellent result is explained basically by the exploitation of the Cano Limon crude oil deposit and the new dynamics in the production of the El Cerrejon coal mine. Gold, relatively significant within the sector, contributed positively to the results, perhaps due to the high price paid most of the year.

As can be inferred from the brief summary in the two articles that discussed the economic balance of 1986, the country had a fairly favorable year. However, worrisome phenomena persist and can have more effect on the national

economic spectrum in the immediate future. This is the case of employment, foreign trade, and public finances that are not yet out of the woods.

7717

CSO: 3348/280

## BRIEFS

HUMAN RIGHTS VOTE EXPLAINED--SEMANA has established the real reasons Colombia and other Latin American countries voted against the U.S. draft resolution condemning Cuba at the UN meeting on human rights in Geneva. Apart from the U.S. proposal, a draft document on tortures, extrajudicial executions, and forced disappearances was under discussion. It condemned Colombia, Mexico, Nicaragua, and Peru, among others. The Cuban and Nicaraguan delegates, endorsed by the socialist bloc, intensively lobbied the Latin American countries affected. They proposed that they unite with them and the countries in the Soviet orbit to create a mechanism to revise the document on tortures, executions, and disappearances, modifying a Colombian proposal. In exchange for this, the Cubans asked that the Latin American countries vote with the socialist group against the U.S. resolution condemning Cuba. That is why Colombia, like other countries in the area, preferred to accept the consequences of a confrontation with the United States rather than permit itself to be censured at the international conference. [Text] [Bogota SEMANA in Spanish 31 Mar 87 p 21] 7717

CSO: 3348/280

UNTS LEADER DENOUNCES U.S. EMBASSY OFFICIALS

San Salvador DIARIO LATINO in Spanish 12 Mar 87 p 5

[Text] (FEV)--The leader of UNTS [National Unity of Salvadoran Workers], Marco Tulio Lima, reported that officials at U.S. embassies in Europe "are trying to discredit that labor-peasant organization and the members of the Executive Committee of that union who are touring Europe."

Lima told journalists that some U.S. embassies in Europe accused UNTS of being a terrorist organization. They also accused a member of the delegation that has been touring Europe for several weeks of being a member of the FPL [People's Liberation Forces], one of the five organizations of the FMLN [Farabundo Marti National Liberation Front]. Lima condemned and denied these accusations. He added that the "Americans' efforts to discredit our organization were not repeated because unions in countries like Italy, one of those visited by the UNTS delegates, demonstrated their interest and solidarity with UNTS and the Salvadoran working class."

He added: "The European unions have claimed their right to maintain relations with UNTS because it is a broad democratic organization of union interests of the popular classes which wants a political solution to the problems of El Salvador."

The traveling UNTS delegation included Humberto Centeno, a journalist and union leader, and Prof Julio Cesar Portillo.

7717

CSO: 3248/284

UNTS SUPPORTS ARIAS' PEACE PLAN

San Salvador DIARIO LATINO in Spanish 18 Mar 87 p 4

[Text] (FEV)--The UPD [Democratic Popular Unity], a former member of UNTS [National Unity of Salvadoran Workers], sent a letter to the Costa Rican ambassador in our country expressing support for the new peace proposal presented recently by the president of Costa Rica, Dr Oscar Arias Sanchez.

In a letter dated 15 March, the UPD indicated: "The UPD is closely following the internal problems of each country. If concrete measures are not taken boldly, we will soon see Central America in a fiery furnace."

The UPD stated: "We praise the president of Costa Rica, Dr Oscar Arias Sanchez, for his peace proposal for the entire area. We support it because it contains points that favor a peace that is so badly needed."

Another summit meeting of Central American presidents will be held in Esquipulas, Guatemala, in May. The points of a Costa Rican peace proposal supported by the governments of Honduras, El Salvador, and Guatemala (who form the Tegucigalpa Group to counterbalance the Nicaraguan positions) will be discussed. This proposal was finally accepted by the Sandinist Government.

One of the points in the Arias Government's proposal which the UPD supports is: "1. That each government urgently seek national reconciliation, general amnesty for all political prisoners, pluralism to lead to authentic democracy, and suspension of military aid and the arms race."

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CSO: 3248/284



ARENA SUPPORTS BREAKING DIPLOMATIC RELATIONS WITH NICARAGUA

San Salvador EL DIARIO DE HOY in Spanish 24 Mar 87 pp 3, 50

[Text] There should be a decision in our country's foreign policy to end the Central American conflict. We will never have the peace and harmony that the peoples of the isthmus want as long as there is a Marxist-Leninist state exporting its revolution to the other democratic states.

For that reason, deputy Armando Calderon Sol said that the parliamentary faction of ARENA [Nationalist Republican Alliance] presented a letter to the Legislative Assembly on 29 October 1985. It asked for a recommendation to President Duarte to break diplomatic relations with the Nicaraguan Government.

The Nicaraguan Government attacks El Salvador and gives logistical support to the antidemocratic forces that try to impose terror, blackmail, and misery on our people.

The ARENA deputy added that El Salvador has demonstrated to the world that it wants peace, progress, and freedom, not a totalitarian Marxist-Leninist regime to enslave it.

He added: All patriotic Salvadorans are making sacrifices in this civil war that is imposed on them. The military especially has stopped the aggression through its blood, valor, courage, and gallantry.

He emphasized that, in this heroic situation, all the democratic political forces represented in the Legislative Assembly, interpreting the sentiment of the nation, recommended to the president of the republic that he break diplomatic relations with the Sandinist-Communist government of Nicaragua.

Calderon Sol stated that if that decision to save our fatherland, to save Central America from the clutches of this aggression, is not made, we will continue to be victims of terror against the peoples of the area.

The ARENA deputy also stated that it is necessary to go to the heart of the situation. If we continue to politicize and prolong the conflict, "we are accomplices in the bloodshed in our fatherland." He emphasized that ISEPES [Salvadoran Institute of Political, Economic, and Social Studies] confirmed the thesis presented by the parliamentary faction in 1985.

Unfortunately, Calderon Sol revealed, the Christian Democratic parliamentary majority shelved th's letter. It did not consider it worthy of study and consideration.

Now that the president of ISEPES, Eng Herman Schlageter, has brought it up again, the government of the republic has the obligation to study the proposed thesis of "hardening, becoming energetic and clear in denunciations and responses to the aggression against us."

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CSO: 3248/289

NEW ANEP PRESIDENT OUTLINES GOALS

San Salvador EL DIARIO DE HOY in Spanish 24 Mar 87 p 2

[Text] Recovery of the levels of production and productivity which will mean more job sources and an end to the campaign against private enterprise and attention to its proposals by the government will lead to true national economic revitalization. Dr Oscar Alfredo Santamaria stated this yesterday when he took over as executive director of ANEP [National Association of Private Enterprise].

Dr Santamaria maintained that ANEP has based its institutional work on achieving two important objectives: the reestablishment of legal security; and defense of freedom of thought and expression and the system of free enterprise.

The new executive director indicated, however, that one result of the current situation in the country is a marked tendency against the spirit of economic freedom. This, along with the economic proposals of the government sector which are against the development of free enterprise, causes deep concern in the productive sectors.

Dr Santamaria maintained that the only way the country can revitalize itself is by recovering the levels of production and productivity which will lead to more job sources needed by the people and help confront the high cost of living.

However, the business leader pointed out that recovery of those levels will only be possible through measures that stimulate and give incentives to Salvadoran enterprises and attract foreign investment.

He added that this means that the government must end its campaign against private enterprise and consider the productive sector's proposals to it.

Finally, Dr Santamaria stated that ANEP will work with a constructive spirit, emphasizing the unity of all segments of the productive sector.

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CSO: 3248/289

CHURCH OFFICIAL CALLS FOR WELCOMING OF IMMIGRANTS

San Salvador DIARIO LATINO in Spanish 9 Mar 87 p 3

[Text] From the Cathedral altar, Father Freddy Delgado asked the Reagan Government to reconsider the deportation of Salvadorans under the new immigration provisions. However, if those compatriots return, they must be warmly welcomed because they are Salvadorans.

Father Delgado officiated at the Mass instead of Archbishop Rivera Damas and Auxiliary Bishop Rosa Chavez who are in South America at a conclave of Latin American clergy.

The officiating priest said that it is a shame that the country will no longer receive the millions of dollars each year that Salvadorans living there send to their families. "However, it is necessary to know how some earn it. Some compatriots sell marijuana and there are young girls involved in prostitution. There are many who have to duck when the authorities approach. It is unfortunate that they have to earn money this way. Many went to find broader horizons, knowing the generosity of U.S. society. I do not know of any who have gone to the USSR but if they return, let us welcome them with open arms."

Father Delgado said: "I do not agree that we should expect trouble. Some sociologists have predicted terrible social cataclysms when they return."

Father Delgado also said that other positive news last week was the appointment of Bishop Joaquin Ramos as military chaplain after the resignation of the military vicar, Monsignor Eduardo Alvarez.

Delgado said that Bishop Ramos is a committed priest who began his ministry after graduating from the university.

The military need spiritual guidance because they are people of great religious sensitivity. Father Delgado stated: "It must not be forgotten that the Army, as an association, is made up of soldiers who are peasants. Many of them do not know how to read."

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CSO: 3248/284

COMMENTARY VIEWS RESULTS OF RESOURCE MISMANAGEMENT

San Salvador LA PRENSA GRAFICA in Spanish 17 Mar 87 p 7

[Editorial: "Serious Effects of Deforestation"]

[Text] The entire country is beginning to feel the serious effects of the advanced deforestation of our territory. The shortage of potable water, the drought, and the low volume of water in the rivers are the most obvious results of this complicated situation.

Poor use of our natural resources has led us to constant destruction of the environment. The lack of rainfall and the low volume of water in the springs and rivers are affecting the people in different ways. The production of electricity based on hydraulic resources is now a serious national problem due to the low level of the Rio Lempa reservoirs.

We all know what it costs to produce electricity based on oil derivatives and, consequently, the problems that rationing energy entails. If we had shown greater interest in taking care of the forests in our country, especially those in the northern zone, we would not have the irregular rainfall and the shortage of water that we are now suffering. Visionary men in the private sector promoted national electrification programs to achieve economic development, counting on sufficient energy from the exploitation of Rio Lempa. However, negligence and irresponsibility in the destruction of the forests endanger our industrial future by decreasing the supply of electricity at a reasonable cost. How can the hydroelectric powerplants and the distribution networks help us if their production drops substantially?

Now that we are suffering the effects of electricity rationing, we can understand what would happen if the situation became permanent. Conservation of natural resources and reforestation of the country is a matter of survival for present and future generations.

The future of El Salvador will depend on its forests. Even indifferent people who are not worried about the threat that hovers over the nation should understand this.

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CSO: 3248/289



ELECTRICAL INFRASTRUCTURE DAMAGE REACHES 230 MILLION COLONES

San Salvador DIARIO LATINO in Spanish 27 Mar 87 p 10

[Text] From 17 August 1980 to 26 February 1987, damage to the infrastructure of the national electrical system caused by subversives totaled 230,184,923 colones, according to reports from the CEL [Lempa River Hydroelectric Executive Commission].

This figure does not include the damage caused by armed groups in the northern sectors of the departments of San Miguel, Morazan, and La Union. It is impossible to evaluate them now because armed groups are still in the area. According to the report, the CEL has not been able to make repairs.

The report also reveals that, during this period, terrorists have sabotaged a total of 514 towers, 1,096 temporary structures, 875 posts, and 325 transformers and have destroyed 39 vehicles that belonged to the CEL. The source indicated that the damage recorded is the result of 2,887 attacks in different parts of the interior of the country by the enemies of the people.

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CSO: 3248/284

## LOPEZ PORTILLO STATE OF MEXICO RESIDENCE DESCRIBED

Mexico City CONTENIDO in Spanish May 87 pp 28-34

[Article by Graciela Barabino]

[Text] Jose Lopez Portillo has learned his lesson: unlike the controversial Colina del Perro residence, ostentatiously located in sight of everyone travelling along the Mexico-Toluca Highway, his Valle de Bravo farmhouse in the State of Mexico is very discreet, and is protected from the eyes of the curious by the dense vegetation growing at the entry of the property.

There is access to the house from the road. At the entrance there are some iron rails painted black, with a sign reading "Private Property." Although a small guardhouse can be seen a short distance away, there is no sign at all of the hefty bodyguards that might be expected. "There is more grandeur in the house of a former deputy or a former municipal official than in Mr Lopez Portillo's house," said one local resident.

One inquisitive person who ventured stealthily onto the property reported that behind the trees can be seen a two-story house with a view of the lake, a medium-sized garden with a pool, tennis courts, and a fruit tree orchard. This certainly isn't the residence of a person living in poverty, but in Valle de Bravo there are dozens or perhaps hundreds of much more expensive residences than the new retreat of the former president. Nearby in an imposing pink building is a retirement home for barefoot carmelite monks.

A small stream flows through the estate, and at one point it tumbles over a small cascade. That is why the house is named "El Salto" [waterfall]. It is estimated that the property covers 10 acres of land.

#### Former Avocado Plantation

In the vicinity there was once a small Spanish ironworks which used water from the mineral and sulphur springs that are found in the area. Later, a Lebanese merchant in Toluca, who is remembered only as "Old Abraham," built a public pool and beach there, which stopped operating upon the death of the proprietor. Then the land was divided up into lots. The part now occupied by

Lopez Portillo was purchased by the former secretary of communications and public works, Agustin Garcia Lopez, and his descendants sold it to its present owner for an unspecified amount.

Garcia Lopez purchased the land in order to develop an avocado plantation there. As the soil is fairly rocky and of poor quality, he had deep pits dug and gravel put in the bottom for drainage; he then had the pits filled with sand and topsoil. Different varieties of avocados were planted there. When the operation was determined to be a success, Garcia Lopez had the present house built.

Mr Lopez Portillo spends a good deal of time in his avocado orchard. He recently had some peach trees and lemon trees planted as well. According to a local resident, he wants to have the farm become self-supporting through the produce of the orchard. Of his 17 employees there, 13 work exclusively in the orchard, and only four work in the house, although on his travels the former president was always accompanied by a cook.

#### Innocent

Everyone who has seen him recently says that he now wears only short-sleeved polo shirts, corduroy or khaki pants, and tennis shoes. He is heavier than when he was president, and has somewhat less hair than before.

A few weeks ago, Mr Lopez Portillo appeared to be vigorous and extremely dynamic when he left his property in one of the two Topaz vehicles he and his bodyguards use for getting around in the Valle de Bravo area. He had apparently just read the statements made by the attorney general of the republic, Dr Sergio Garcia Ramirez, that no evidence had been found warranting legal action against him. Until then the public had heard only that the attorney Ignacio Burgoa had filed various charges with the office of the attorney general of the republic against the former president, but the public did not know what action had been taken. The statements of Attorney General Garcia Ramirez indicate that, under Mexican law, Jose Lopez Portillo has been found completely innocent.

On that day the former president went to play golf at the Avandaro Ranch, a luxurious estate owned by the well known Yazbek family, similar to the mansions seen on "Dallas" and "Dynasty." There the former president often rides spirited horses along isolated trails through the thick pine woods. His only companions on these rides are his bodyguards.

#### Film Project

The stable employees at the Avandaro Ranch say that Mr Lopez Portillo is a pleasant man, in enviable physical condition and that "he plays all sports extremely well." They envy him his popularity with women, especially with his latest companion, a society lady.

Another occupation of the former president has been studying a proposal by Michael Douglas, a film producer and actor, to join in association with his Hollywood production company and help to do the historical research and the film script for a major film about the conquest of Mexico, in which Douglas would play the role of Hernan Cortes. Mr Lopez Portillo has not yet accepted or rejected this offer.

Everyone in Valle de Bravo knows where he lives and what the former president is doing, but they don't feel either flattered or irritated that he is living there among them. They consider him as just one more visitor, one more politician, one more wealthy man. And unlike the feeling in the nation's cities, the local people don't seem disturbed about the events of his presidency, and the extravagances that drew the blame of much of the nation upon him. The former president spends much time chatting with local people of humble condition, and he always seems to listen to them attentively. As he himself said in one of his reports, these humble people don't accuse him of anything. Jose Lopez Portillo now seems to have found peace among these people.

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CSO: 3248/279

## BRIEFS

REVISED MINIMUM WAGE SCALE--The Labor Congress has accepted a 20 percent minimum wage increase which will take effect on 1 April. This figure will be made official today by the CNSM [National Minimum Wage Commission] during a session that will begin at 1730. With this new increase, on 1 April the following minimum wage levels will take effect: 3,660, 3,384 and 3,042 pesos a day, up from the rates of 3,050, 2,820, and 2,535 pesos a day which have been in effect since 1 January 1987. For the federal district of Mexico City, the minimum wage will be 3,660 pesos per day. The minimum wage scale that will take effect on 1 April will remain in force for 3 months, until 30 June. On 1 July a new increase will be given to the workers. [Article by Humberto Aranda] [Excerpts] [Mexico City EXCELSIOR in Spanish 26 Mar 87 pp 4A, 38A] 7679

CSO: 3248/279



JAIME WHEELOCK LECTURE ON ECONOMIC STRATEGY

PA292112 Managua BARRICADA in Spanish 27 Apr 87 pp 3, 4

["Excerpts" from a lecture given by Commander of the Revolution Jaime Wheelock to an FSLN cadre on 24 April; no place given]

[Text] 1. A Reactionary Political Approach Disguised as an 'Economic Critique'

In our country there are different viewpoints regarding the national economy. For example, some say it is a disastrous situation while others say that even though the war and the crisis have undoubtedly adversely affected the economic situation, the national government has shown a high degree of responsibility in phenomena such as inflation.

Mr Enrique Bolanos, rightist spokesman, told a group of business managers in a convention that took place this year that "our government has been very efficient in printing money and this is the only type of production that has increased considerably, that is to say, inflation." Bolanos pointed out that one of the causes of inflation is the remission of debts for Sandinist cooperatives. Certainly in Somoza's time this would never have taken place. In that type of economy inflation would not have resulted from credit being granted to cooperatives because cooperatives did not exist and only a few peasants received loans from the national bank.

Secondly, Bolanos said, in 1978 the Gross National Product was 6.3 billion cordobas and in 1984 and 1985 it dropped to 5 billion cordobas, which means that there is less production and much more money. We will not argue if the figures are correct or not; however, we shall talk about Bolanos' conclusion. In 1978 we had an abundance of rice, beans, oil, toilet paper, hardware products, canned food, and even Mercedes Benz cars and he added that with all the millions in circulation today and with less production, what we have today are long lines, scarcity, and a cordoba that has lost value.

The businessman then criticized the People's Ownership Sector [APP] and cooperatives for subjecting production to unusual balances, because they obtain credit and never pay the bank back. Of course he does not mention the nature of these state and cooperative property systems that are a reality in the new Nicaragua and that have historically emerged to transform a system that was leading the country to bankruptcy.

Subsequently, he talks about the fiscal deficit and says that the government's budget is several times larger than the one in 1978, that the hugeness of the government is responsible for the inflation. However, he forgets that a large part of our budget is spent on defense and our people, not on the government apparatus. Obviously, this budget entails inflation. However, the government decided to defend a social and economic model different from the one to which Mr Bolanos and his Mercedes Benz cars belonged.

#### The Prescription of the Right: Dissolve the Revolution

Mr Bolanos said that Nicaragua is following an inflationary strategy like Brazil's. According to him, the inflation rate is much lower there, and we are headed toward failure. He said this to conclude that "any government responsible for inflation is ultimately responsible for the economic disaster that it brings about, and pays for that mistake by losing power."

In other words, this is the same thing that the Reagan Administration is proposing—to topple us as a result of military aggression or an economic setback caused by damage to production and the harm done to a war economy that is increasingly more broadly and subtly harassed and blocked. Mr Bolanos failed to mention that this is part of the Reagan Administration strategy completely to undermine us and return all the Bolanoses and, ultimately, the United States to power.

In his final remarks, Mr Bolanos added that Nicaraguan exports rose to \$200 million while we should be exporting over \$1 billion because the other area countries currently export \$800 to \$900 million. He blamed the government for this situation while forgetting about the war, the trade embargo, and the initial costs of making a social transformation.

To end, Mr Bolanos provided the "formula" to solve the situation. He called for the establishment of a new "social pact." This is not pact like Jean-Jacques Rousseau's, but one among the government—not this government, mind you—the bourgeoisie, and the United States. His first premise was to break with the socialist, progressive friendly countries. "Forsake," he said, "communist associations" to return to the hegemonic control of the bourgeoisie, with no APP, no cooperatives, no social expenditures, and with a new alliance system at the mercy of the United States Government, which brought so much prosperity to Nicaragua!

Here is the Right's plan: the toppling of the revolutionary government; the dissolution of the economic and social system; a strategic alliance with the U.S. Government; a government of the bourgeoisie and the return of the Somozist guardsmen, and everything which they call hope, culture, and development. They completely forget the heritage of backwardness which the bourgeoisie, Somozism, and imperialism left our country!

We are dealing, therefore, with an overall approach disguised as economic criticism, to hide the challenge to the Sandinist people's revolution. We must first refer to this aspect. We cannot isolate the phenomenon of prices,

inflation, supply, and wages from the model established by the Sandinist people's revolution which began by dismembering or eliminating the model of backwardness, poverty, and subservience to Yankee imperialism. This model virtually entailed the total transformation of the country and the ensuing serious and social costs at the beginning.

We have also heard comments from the Left parties on partial, changing matters, which they use to affirm that the revolution's economic policies are guided by bourgeois interests. They say that whereas we are distributing poverty and waiting lines to the people, we are giving dollars to the bourgeoisie, and that this policy will only lead to extreme poverty for the people. In their narrow-minded view, they feel that this project is becoming diluted, that it is not reaching its goals, and that the time has come to put it to the test--in alliance with the Right--to determine if indeed a "17 October" will take place, following 8 years of setbacks.

## 2. Social Revolution and National Independence

All of them try to destroy the commitment firmly to support, with conviction and optimism, the just cause, the correct strategic path of the Sandinist People's Revolution to build its historic objectives. First, national independence has fared well in the midst of inflation, high prices, decreased purchasing power, and imperialism's efforts for 8 years to topple this revolution.

Now that 8 years of revolution have passed, we should ask: Do we depend on imperialism? Nicaragua is respected, admired, and supported. It is Reagan, that imperialist power, who is losing his cause and the war. This is war not only of Nicaragua, but of Latin America and the oppressed and downtrodden peoples, which we have had to wage due to historic circumstances at a high price in human lives and difficulties for our people.

The working class should be aware of this historic role with pride, firmness, and conviction. The truth is that there are hundreds of thousands of men, women, and workers, children willing to defend the revolution and actually defending it.

Despite difficulties, the military active service has met its quotas to a far greater extent during the most recent appeals than it did last year. This means that workers, peasants, and the children of broad segments of our people have not backed down.

Since we outlined the FSLN's historical plan, we said we would topple Somoza, the exploitive owners of large estates, and all those who turned Nicaragua into a country of many Mercedes Benz cars, a country where infant mortality reached 200 per 1,000 births. We said we would socially transform the nation with an agrarian and industrial reform, channeling the main economic resources into the hands of the people.

At the beginning, we did not speak of great economic successes. We hoped to maintain the production level. We have struggled for it with all our might. We did not say we would give the people a standard of living in these first few years much higher than they had. Of course, when we created APP and the

cooperatives. we engendered only infants, the small children of the revolution within the economy, which would replace the traitors and exploiters, those who filled this country with misery and mourning, shame and foreign oppression, by imperialism and its allies.

### 3. Ensuring the Foundation for Socioeconomic Change

Certainly, the APP and the cooperatives have experienced problems of uncollected loans because at the beginning they could not produce surpluses. For the most part, they were scattered, idle properties without capital. We had to create a new country, to try for an economic organization that has now begun to yield fruit.

Bolanos gave figures for 1984 but not for 1987. He did not say that--with a few exceptions--most state-owned enterprises are returning a profit. He did not mention the fact productivity of the state-owned rice and cotton enterprises is much higher than that of private firms in many aspects; that while the yield of the San Antonio sugar mill is 165 pounds of sugar per ton of sugarcane this season, the Victoria de Julio sugar mill yields 230, the Javier Guerra mill 220, and the Julio Buitrago mill 225.

He ignores the degree of efficiency reached by the coffee enterprises in Region 6, which is a war zone, and the fact that the highest cattle reproduction rate--70 percent at actual time of weaning--has been reached by the state-owned enterprise in Special Zone 3. He did not say that the Chilepe Project's milk production of 70,000 liters a day is the equivalent of all milk produced by the country's bourgeois producers at plants in Managua before the revolution.

There are indeed problems but we are solving them, and in so doing are building a socioeconomic base to give security, stability, and strength to the revolution. Therefore, it is only logical for people like Bolanos to protest. They have a class interest, and their viewpoint is understandable. However, we are the spokesmen of a different viewpoint--that of the revolution.

We have no fear and do not consider that it was a mistake to have introduced an inflationary element in our country when we wrote off the debts of the cooperatives. It was a way to feed our children, and we were confident that in the end the cooperatives would bring more well-being and wealth to our country than the private producers they replaced.

National independence and socioeconomic transformation are goals of the revolution. So is social welfare. Were we expected to leave the people illiterate, or to not provide services and not expand education and social programs? We had to do it because this is part of the revolution's platform. Of course, Bolanos says it is inflationary. It possibly is, but we were not prepared to discuss whether it was necessary to defend the country, to continue transforming it, and to continue providing education and health services to the people. We will not discuss that.



It would be wonderful to have an inflation-free economy like the one advocated by Bolanos. It would involve unemployment and would be sold to foreign capital. Under Somozism, this economy used to enter \$500 million on our country's accounts, but probably \$400 million were sent abroad. Where did the \$40 million worth of banana exports entered on the Central Bank's records wind up? How much was left for Nicaragua? Not even \$6 million to pay the workers' meager salaries. What wealth had been left by those millions in Chinandega when we arrived there? The standard of living of the Guatemalan, Honduran, and Salvadoran workers is just great. Just go and see the optimum development reached by those countries, which have nourished the empire's economy for centuries!

Those who reminisce about the era when Somoza and the bourgeoisie ate rice, beans, filet and eggs, went on trips, and owned Mercedes Benz automobiles, an era which was inflation-free but poverty-ridden, do not realize that the Nicaraguan people overthrew this model and that the one we have now is a new economic model capable of safeguarding their strategic interests as a people and as a nation.

We are not going to analyze the whole national economy. We are going to analyze three categories: supply, production, and wages. We will view the development of these three categories over time in order to explain more easily the logic of these measures in 1987.

We speak of three key periods in supply, production, and wages during these last several years. The first one went from 1979 to 1982. That was the time of the agrarian reform and the economic transformations that were carried out simultaneously with the expansion of social services, a scheduled creation of almost 100,000 jobs, and the governmental efforts to import massive amounts of food, basic goods, and raw material for industrial production. Such goods could not be supplied by a national agricultural or industrial production that was going through a process of rehabilitation and reconstruction.

During that period, we experienced a relative stability regarding supply, prices, and wages. You must recall that we ate beans--often with displeasure--or we did not eat them at all because they were too big. For almost 3 years we imported a good part of the beans, rice, and corn that we ate until we increased our production.

There is a second period, from 1982-1983 onwards. It was a period in which the revolution began to concentrate and direct its human and material resources to the defense of the revolution. It was the period in which the FSLN learned of and analyzed the counterrevolutionary plan, a period during which the government and our political leaders realized that imperialist aggression will not be direct aggression by U.S. forces--for which we had been organizing our military doctrine--but an intervention with an initial counterrevolutionary step. That step aimed to stir up the border-area peasants, who had long been left on the fringes of society, without culture and to whom the revolution had had very little access.



Therefore, at that time we concentrated on the country's defense, carrying out a policy of alliance with those peasants: We pardoned debts, bought land, spent money on peasant settlements, and invested dollars and cordobas in improvements to the supply service for rural areas; we organized an overall plan to restore the alliance with that sector, which was costly, somewhat inflationary, because we even had to end the price control on corn, beans, and other peasant products.

What was the cost of the alliance? Many of the urban resources went to the rural areas and the agricultural products were sold at very high prices in the city, in an already inflationary environment created by the war, the rural support policies and the social expenses. At that same time the FSLN decided to maintain the progress made by the revolution. We also refused to close down schools, universities, health centers, and hospitals, and we were even determined to carry out investments projects then.

Everything seems to indicate that under those circumstances, the IMF would have closed down all those institutions and sent thousands to the unemployment lines, thus returning to 1978 standards. However, the IMF is not the revolution and the revolution has its logic. It responds to our people's historic needs and to a just cause that sometimes expresses itself through budget deficits and inflation, despite our wishes.

We go to a third period in which the aggression became stronger, in which we had to mobilize more combatants for the country's defense. That moment is called survival economy. When the government began to worry about the impact of inflation and the alteration of prices because of inflationary pressure—when it was worried about the fact that after MICOIN [Domestic Trade Ministry] had set the price for a pound of cheese, the same amount was ten times more expensive on the market, or when a 7-cordoba pound of sugar was sold at 35 cordobas—the revolution concentrated on the distribution problem.

At that time, the government decided to guarantee five basic products to the various areas. We talked with the workers and set up the commissaries to sell the products that would not go through the territorial network. Later on, those commissaries became the Workers' Supply Centers (CAT). A census of the Pacific coast consumers was carried out to organize a more efficient distribution of products. We organized the rural network called Rural Supply Centers (CAR) and set up farm commissaries at banana plantations, rice farms, and sugar mills.

To begin controlling inflation, we decided to put less emphasis on workers' wage increases and more emphasis on the improvement of supply channels. There was one single objective: despite inflation, we had to protect the minimum standard of living of the working class, of all employees in general, and of the productive sector, mainly of those who are at their work posts. It was an effort of distribution, along with a package of economic measures basically directed at controlling the various inflationary factors. In the control of inflation, we obtained some positive effects and, of course, some negative ones as well.

However, if we had tried to struggle against inflation with IMF measures, we would have had to give up revolutionary and defense objectives, and even if we had done that, inflation would still have continued.

#### 4. A Balance in 1987: We Are Making Progress Despite Difficulties

Assessing the three periods I just mentioned, what do we have? In the first place, the basis for a change is guaranteed with a clear sign that this is a people's revolution that brought about a literacy campaign, health for workers, jobs, and dignity for the people amid a situation involving a legacy of misery and backwardness.

When we faced the aggression, the revolution turned around and, despite the difficulties, implemented a plan that involved a successful alliance with the peasants who became more confident and felt encouraged to produce, having greater access to basic supplies: machetes, boots, and people's health care.

One would have to check to see if, in these 2 years, amid great difficulties, we have guaranteed the basic supplies to the workers and peasants, thus meeting the priority needs outlined by the revolution at this time.

The first privileged category, the combatants, more than 100,000 with their families, have had their supplies guaranteed. A consistent effort has been made to achieve this. Supplies for peasants are not as tight as they were in 1982 and 1983, and there are revenues in this sector. The workers of the productive area have CAT, territorial supply, and small commissaries at the farms. However, there are difficulties in the supply in all these channels of distribution, and this must be improved urgently. We cannot effectively meet the demand of salaried workers, but we are making efforts with the comrades of the health and education sectors. We are seeking a way to face the other problems.

Concerned about the inflation problem in late 1986, we discussed the salary problem, and we began to observe that prices continued to increase and that, although we had reached an agreement with the workers whereby it was better to improve distribution rather than increase salaries, salaries dropped tremendously as the months went by.

In addition, this situation affected workers at higher levels who do not have other types of income and who do not go to the CATs. It was affecting them more so because they had a certain standard of living that was much higher than the salary they were receiving. This was the case of technicians and professionals. You can imagine the home of a technician or professional who received 75,000 cordobas without a category 1 CAT.

#### The War and the Drop in the Price of Exports

At the beginning of 1987, the economic crisis became worse from the standpoint of the products Nicaragua seek and from which it lives; simultaneously, the prices of sugar and cotton dropped to unprecedented levels.

With the drop in the coffee prices, Nicaragua lost \$50 million. As for bananas, the blockade has cost us a total loss of \$11 million. It is not easy to defend banana production. We have to transport to Europe, and it is very expensive. We also have problems with other products which have the United States as their traditional market, such as beef, seafood, and tobacco, due to the blockade. Their export quotas have been reduced, and the transportation costs are high. We are facing a grave situation due to the crisis and the blockade. To this we must add the shutting off of international financial sources.

We must add the war situation to this grim outlook, particularly in the past 2 months when, as we all know, the mercenaries' defeat has prompted widespread terrorism. The fact is we are no longer fighting the large counterrevolutionary forces of the past. We are fighting small groups that were especially trained in the United States to cause economic damage, to electric towers, cooperatives, and production units. This affects us when we have to transport grain from the northern areas, and increases the cost of production and of the harvest.

Amid all these circumstances, we have been able to defend a group of political, social, and economic goals strengthening our rank and file. We have made several efforts to reorganize, minimize, and soften the blow suffered from the deficit, inflation, the international crisis, and the damage that they do to our production. We now have to seek a way to continue developing our economic policy in line with overall objectives and taking into consideration the situation that we are facing in 1987.

##### 5. To Resist by Producing and To Protect Ourselves From Inflation

First, we begin with the principle that we are not going to turn over the revolution to the Bolanos or to the United States. Therefore, the aggression will continue. There is no economic policy objective that does not previously fall within the framework of a political decision. The decision of the revolutionary government and the FSLN is to win the war, disband the mercenary gangs, split them up, and prevent their reorganization. This means a simultaneous attack on the gangs throughout the country. This demands a great effort: more combatants and more resources.

What does this mean in 1987? We cannot stop defending ourselves nor can we abandon production and the investments in production for exports and domestic needs. Supposing that it were possible, defense without inflation would mean--as was done during World War II--involvement by all the population in the defense and the production of the essentials: rice and beans; and forgetting the exports, the credits, and the investments for replenishments. This would simply mean what Bolanos wants: surrender; or what the Reagan administration seeks: crushing this country so we will not be able to fulfill society's development objectives.

Therefore, the revolution has decided to resist and survive, maintaining the hegemony of the workers and peasants and defending Nicaragua's historic interests. This means defense plus production for domestic consumption and export; monetary outlays not only through cordobas but through credits; and investments, be they called UIP, the basic grains contingency plan, the Chiltepe Dairy Project, the deep water port of Bluefields, or African Palm--any of the 22 or so projects that we are carrying out and that obviously entail monetary outlays.

This entails government expenditures fundamentally aimed at defense, health, and education, areas that we cannot abandon. All of these factors effectively lead to inflation. However, it is a matter of trying to defend the strategic interests of the people even at the cost of that negative economic impact.

If it were not so, if we suspended the replacement and expansion investments, we would have less productive capacity in 1988 in view of the increase in the population and the demand; this would cause inflation from economic stagnation which is the worst kind.

Therefore, we are trying to see how we can have an impact on inflation while maintaining the principles of the defense of the revolution and the fulfillment of its objectives. In this framework, our economic policy has the effect of producing inflation, but it seeks to protect the workers from it. Because of this, we are rationalizing the expenditures of defense and production, the investments, the services, and other government expenses. We are no longer going to condone debts; we are going to demand efficiency in production before granting credits. At the same time, we are going to continue to improve the distribution channels, continuing the 1986 and 1987 efforts to expand the CAT, and protecting, through them, the professionals, cadres, and technicians.

#### Supply and Wage Readjustments

Of 300,000 wage earners under SNOTS [National Labor and Wages Organization System], there are only 1,450 high- or medium-level technicians, and we have decided to improve their living conditions. The working class is sufficiently bright enough to understand the importance of placing the professionals in a particular situation. We are going to defend firmly the priority supplies for the workers in the productive area so as to more effectively attract the labor force to that area. We are going to include more products in the CAT and whatever products are possible in the territorial network. Inflation will continue, but we want to have more products protected from it.

Third, this year we are going to introduce a system of wage readjustments to protect the privileged categories not only with the supplies but by giving them sufficient resources so we can at least prevent the situation that occurred in 1986 when wages were practically worthless.



Regarding the latest wage readjustment, it is important that we point out that it does not aim to cover the current price increases but to contribute toward closing the significant gap between wages and prices beginning in August and September 1986. We established an average general readjustment of 56 percent so as not to add too much fuel to inflation, and we expanded to 39 the number of wage categories so there will be greater flexibility in establishing the positions of specialized technical classification. Of the existent categories, the first 20 received a 100-percent wage readjustment, and the last ones received readjustments of between 60 and 40 percent.

In circumstances in which we have accumulated important positive effects in our alliance with the peasants, in our efforts to protect the basic supply and organize its distribution, we are now going to introduce the element of the impact of the wage readjustment, coexisting with an inflationary situation which we will eventually resolve. The set of measures is the result of political and economic decisions that should permit us to advance in this struggle against the enemy and the obstacles it imposes on us.

#### 6. The Reserves of the People in Production

Making an assessment, we can state: We are independent, and we are determined to continue being so. The revolution is currently winning the war. We are not the ones who are isolated; we are respected and admired throughout the world. Second, we are ensuring the country's socioeconomic transformation. The agrarian reform is being developed, leading to the emergence of new social protagonists who are going to replace the exploiters and oppressors, the Bolanos and the Somozas.

It is true that inflation exists in the struggle against the inherited backwardness and underdevelopment, but today we have more than 12 irrigation projects; we have gone from a traditional productivity of 12 quintals of beans per manzana to 24 quintals, and from 35 quintals of corn per manzana to 60 quintals.

We are making our economy more independent from imperialism, with a different division of labor. We are turning into an agroindustrial country after having been--and for a long time we will continue being one--producers of raw materials. We are transforming the country's social and economic base.

However, anyone who suddenly listens to a leader of CAUS [Central Organization of Trade Union Action and Unity] or CUS [Confederation for Trade Union Unity] turning the economic problems into workers' demands, forgets which are the great tasks of the working class and its current feelings and of the very clear economic recovery trends that the country is showing.

I want to tell you that this year, we are willing to pass to the 7th hour of work in the rural areas because in all the centers--except for the sugar mills--we were able to go to 6 hours. It was a response from the working class. Was someone afraid that without sufficient supplies and with the deterioration of wages, this working class was not going to respond?



In the coffee enterprises, we had 6,000 traditional workers last year. This year there were 14,000 workers, who worked up to 10 and 12 hours, even on Saturdays and Sundays. The coffee was not lost even though this time, 3,000 brigade members participated instead of the 20,000 who participated in previous years.

The movement of the economic brigades and the efforts for the recovery of productivity are signs of this positive trend, as is the fact that the technicians and the professionals are with the revolution despite the problems and the fact that we have hegemony over a mixed economy that is not showing signs of exhaustion.

#### Trends in Production Recovery

To illustrate the trend in this progress, we will give you some figures: While pasteurizing plants in Managua were receiving 965,000 gallons of milk in April 1984, they are now receiving well over 1 million gallons, that is, 500,000 gallons more, because of the reinvigoration of milk production by the private sector and the Chiltepe Project.

As for pork, a total of 2,084,000 pounds has been produced this year, that is, 582,000 pounds more than during the first quarter of last year, when we had had 3 years of stagnant production, and in the case of milk not only stagnant but with a tendency to decline. This year, production of these items shows a clear tendency to increase.

At tip-top, we had slaughtered 1.3 million chickens by this time in 1986. This year we have slaughtered 1.6 million or, in other words, 300,000 more chickens than last year. The overall private and state production increased from 2.4 million to 3.2 million chickens, that is, by 800,000 chickens.

Staple production is increasing. Peasants have sown 150,000 more manzanas in 1986 than the previous year. Therefore, our society is not in crisis. It is a struggling society that has problems, but at the same time has the means to forge ahead, and we will see this soon—in 1988.

#### 7. Fight Against Inflation

The revolutionary government is not going away. It is the imperialists and its allies who will go. Therefore, when we look at the status of wages and supply we cannot separate them from the overall picture. In this respect, we revolutionaries have to remain certain that what we are doing is right; that our cause is strategically just and right.

As we have said, there are objective elements working in favor of the revolution. We have mentioned some, like the military victories; the increase in the working hours, productivity, and production; improvements in the massive cooperative movement; and measures to save cattle stock, the indiscriminate slaughtering of which has stopped as a result of these efforts and the discipline which has been demonstrated.

Regarding inflation and economic difficulties, the government has two ways to contend with them. One of them is to maintain the rationality of spending for defense, production, investment, and administrative purposes in order to keep inflation from skyrocketing. The other way is a commitment or obligation to pursue and devise policies that will protect the workers, laborers, peasants, and professionals from inflation.

What should the people in general do? In the first place, they must have confidence in the revolution. They must not allow themselves to be discouraged by the current difficulties. They must work hard to fight inflation. In order for the working class and the peasants to fight inflation, they must produce more. We are obligated to produce more and improve productivity and the working day. Thus, this is the first obligation we have: to produce more with greater discipline, increasing our workday in the field and everywhere else. We must have more initiative in developing the economic brigades that are the revolutionary movement of the workers.

#### Defending Places of Work

A third basic task is fighting against that distortion which inflation unconsciously produces in the sectors of the working class who go off to sell water, and are not aware that when they leave their places of work they are taking sides with the reactionaries and imperialists, because they are behaving--without realizing it--like Reagan and the imperialists want them to behave in order to prevent us from reaching the social goals of the revolution while trying--at the same time--to paralyze the country.

Leaving their places of work simply distorts and destabilizes the economy. Therefore, the struggle to defend the work post is absolutely just because it is a struggle against the rightists, against the imperialists, against Reagan, and in favor of the stability of the revolution. We want the working class to become aware of the negative effects that inflation is producing on the psychology of production. In order to do this, we must wage one of the most strategic struggles for the stability of work throughout the country, in each work center and in government institutions. This struggle must become a revolutionary movement that--along with the flexible measures of SNOTS [National Labor and Wages Organization System]--will lead to collective agreements for each sector of production and later into individual agreements for each work center.

We already tested this when the coffee workers and the administrators joined in order to defend stability and added 8,000 work posts. Now, this can be done in order to improve housing, supplies, and making sure there are Rural Children's Service (SIR) for the children of the female workers. All this is possible.

The basic issue is that we keep alive the pride of having carried out and upholding this historic revolution and of being independent. We have hopes of an optimistic future, which we feel are not exaggerated, but are enough to make us advance in 1987 with a banner of victory and work. By the time we reach 1988, we will be witnessing from here the end of the Reagan administration and the beginning of a new battle for the revolution, because the struggle will have to continue until we are truly independent, and--in the end--we will be able to pass on to our people and our children a country of progress and dignity.

DIPLOMATIC RESHUFFLE AWAITING CHANGES AT FOREIGN MINISTRY

Port-of-Spain TRINIDAD GUARDIAN in English 29 Apr 87 p 1

[Text]

EXPECTED changes in Trinidad and Tobago's foreign service will take place only after completion of administrative restructuring of the Ministry of External Affairs, International Marketing and Tourism.

This was explained yesterday by an official of the Ministry.

A diplomatic reshuffle has been in the air since the National Alliance for Reconstruction won the December 15 general election. Asked to explain what was holding back announcer of the reshuffle, the official said that work was being done in this regard, adding:

"Changes must certainly come but some people are expecting us to move too fast. This we cannot do because, as you know, the portfolio of the Ministry has been increased with the addition of marketing and tourism.

"What is being done at this time is that the Ministry's administrative structure is being revamped to reflect the additional responsibilities now being undertaken."

### Greater Prominence

The official made special mention of tourism which previously fell under the Ministry of Industry and Commerce.

"Tourism," the source said, "is now being given greater prominence and emphasis by the new Government and as a result it must rank as a priority area in the new Ministry. We are sorting out the Ministry's working relationship with the Tourist Board in this regard.

"In the old Ministry the administrative relationship with the Tourist Board was not that intense as how it would be now because of the greater thrust in the tourism industry this Government will be making."

Another area to be worked out is the question of administrative arrangements for the trade arm of the Ministry. There is one school of thought that there should be a trade attaché at each of the country's foreign missions.

"All of these matters are being feverishly worked out and very soon positive developments will be announced," the official added.

Only one head of mission has transferred back home since the change in Government — High Commissioner to Brazil Wilfred Naimool, now Permanent Secretary in the Ministry.

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CSO: 3298/210

PAPER CALLS FOR RESIGNATION OF MINISTER OF LABOR

Port-of-Spain SUNDAY GUARDIAN In English 18 Apr 87 p 6

[Editorial]

[Text]

WE find it totally unacceptable that a Cabinet Minister should not only be in disagreement with a policy decision of the Government, but should express it publicly by his intervention in an industrial dispute involving a state agency.

When the Minister concerned is Dr. Alfred Richards, the one who is responsible for labour, the one who should be concerned about the smooth sailing of industrial relations in the country, the situation becomes even more bizarre.

It is not a scenario that should be tolerated by any Government particularly a new one in dire economic straits. We firmly believe that Dr. Richards should resign immediately.

Some of the statements made by Dr. Richards are to say the least most instructive of his thinking and the fact that such thinking has gone counter to the policy of the Cabinet is enough reason for the Prime Minister to ask for his resignation.

But there is more and we must go back a bit: Dr. Richards appears to be more concerned with pleasing the OWTU than with the larger economic issues facing the country. This approach was evident in the Fedchem issue and the amendment to the IRA which he spearheaded through Parliament. One of his main concerns, it seemed, was to save the OWTU from the embarrassment of seeing Fedchem make a profit while its workers were locked out.

### 1987 Budget Speech

Next we have him publicly stating that his conscience was bothered about the removal of Cola. He went further and suggested that T&TEC should reconsider its decision to remove Cola, and this after the Prime Minister in his 1987 Budget speech had made it clear that it was either suspension of Cola or massive retrenchment.

As in the Fedchem lockout, again the OWTU was involved. No intervention was made, it seemed in the case of Telco workers who were also involved in the Cola issue but who are represented by another union.

What gives between Dr Richards and OWTU?

Dr Richards appears not to fully grasp the utter seriousness of the economic situation facing this country and in fact has, in his public utterances, been displaying a poor grasp of the sort of leadership that is now needed in industrial relations in our country at this crucial time.

We would remind him that one of the terms of reference of the Industrial Court makes provision for taking into account the circumstances of the country generally. He must know that the Court does not exist in a vacuum and must be aware of the realities of life that surround it.

The trade unions, typically, have followed the usual pattern of demonstrations and public protests attendant upon any action that is not to their liking. That is their right. Employers also have rights and their first obligation is to keep their businesses afloat, financially viable and in a position to maintain employment.

In all this the Minister of Labour has his own role to play, an important aspect of which must be calm and careful analysis of the situation, the ability to make sound judgments and to do so against the background of the economic state of the country.

If Dr. Richards's conscience is bothering him about the suspension of Cola, he should spare a thought for all those who would cheerfully give up Cola if only they could get a job.

Dr. Richards's conscience should bother him about the many who have been retrenched because some businesses have gone bankrupt and there is not even money to pay severance.

In our view Dr Richards because of his attitude should not be holding the critical portfolio of Labour. The country is at too critical a juncture for his sort of peculiar industrial leadership.

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MAJOR FINDINGS OF AUDITOR GENERAL'S REPORT EXAMINED

Port-of-Spain SUNDAY GUARDIAN In English 19 Apr 87 p 6

[Article by George Harvey]

[Text]

RETREAT is cynically referred to as an advance backwards. It has been used to advantage to marshal forces and brain power for a vigorous counter assault.

It is with this hyper-active thought in mind that the Government has come out of its second Cabinet retreat in its all of four-months tenure in ruling the financially-strapped nation.

### Opposing Forces

Problems galore still confront the imbued retreaters. End of retreat does not mean end of problems. They persist and embrace the need to raise money ..save on expenditure...create new jobs and to staunch the ongoing flow of employed from joining the lengthening breadline.

Tactical withdrawals have been known to be the precursor of outstanding victories. Yet many an army or Government making it a habit of facing opposing forces and problems with their backs end up just there...vanquished on their backs.

Backward glances can still bring you face-

to-face with your seemingly unending problems. A turn into the not-too-distant past shows quite distinctly how the existing governmental monetary headaches were created - lack of financial control and the attendant improper accounting of the spending of collected revenue.

### Sad State

Slipshod practices or non-existent controls have been revealed startlingly in the April 1987 report by the Auditor-General on a Comprehensive Audit on the Internal Audit Function in Government ministries, departments and statutory boards.

It is not surprising news. It has been so from time immemorial, since it could not have been easy even with single-minded criminal intent to blow away billions of petrodollars roped in during the oil boom days if proper accounting systems were in place.

It was the sad state of affairs that transformed current Minister for Food Production Lincoln Myers into a local political Guru after fasting and beating the unaccountability theme to a frazzle.

He also beat ex-Prime Minister George Chambers in the historic 1986 General Election.

In a nutshell, the report berated the non-functioning or improper operations of vitally important internal audit

systems in State-run entities including the Ministry of Finance.

It stated bluntly that value was not received, nor objectives attained in spending upwards of \$10 million in 1985 for creation of internal units in the 50 entities examined.

What the report did not state or even hazard a guess, was the millions, possibly hundreds of millions of dollars, that were lost, stolen, misappropriated or misspent through the faulty or non-existent units.

The situation is frightening and unexplainable in this modern age revelling in high-tech administrative practices. This is particularly grave on taking into account that a main feature of an internal system is to act as an early-warning device against fraudulent activities and other accounting malpractices.

Functions of internal audit units noted by Auditor-General A.A.Campbell include: "Early detection and correction of errors. Frauds may be discovered in the early stages thereby reducing the ultimate loss."

### In The Bud

So systematic fraud can be nipped in the bud with a

properly-run internal audit system. Recent episode involving a still-on-the-run dog-fancier cashier from the tax-collecting Inland Revenue Department highlights the vexing situation.

He left town and the country in a hurry and millions of dollars of arrears collected over the years from delinquent taxpayers also took flight. The Inland Revenue

Department was one of the 50 entities evaluated.

Some of the findings of the Report make horrific reading in the midst "of increasing public awareness for accountability by Government for funds entrusted to them."

Major findings include:

- \*Non-appointment of a central authority to establish internal audit in the public service and to control and direct its operation

- \*Audit manuals not prepared and plans did not cover all areas of operations

- \*Audit programmes were deficient and not reviewed

- \*Time budgets were not prepared. Financial budgets were non-existent resulting in an absence of financial control

- \*Control records for queries were not maintained and lengthy delays

in replying to queries

### Touch And Go

Operational inefficiencies are but part of the overall malaise. It was touch and go as to which department or ministry was responsible for creation of the systems and directing and controlling operations.

It was concluded that the the Ministry of Finance was responsible. But here this: "however, it was not determined to which division of the ministry the responsibility was to be assigned." All this is contained in the April 1987 report although various financial regulations and directives related to the units have been in force since 1960.

Not even the Comptroller of Accounts in the Treasury was sure of the position. The report notes that discussions with the Comptroller of Accounts revealed "that he was not clear about his role in the establishment and management of internal audit sections." It adds "The Comptroller of Accounts appears to be a passive rather than an active participant."

It is apparent that with less money coming into the coffers of Government accountability and effi-

cient accounting will play major roles. With little or no taxes from retrenched workers and failing businesses, every cent must count sensibly."

So the retreat is over. The Auditor General wants action in cleaning up the mish-mash and ensure the running of a tight financial ship.

### The Problems

Prime Minister A.N.R.Robinson as Minister of Finance does not have far to go in facing the problems. It is right on his financial doorstep. He must now forward to a sounder position. Will it be another retreat or an advancement of a workable solution?

Main problem though is that establishment of proper functioning units costs money. A scarce commodity that has not yet reached the negative list with oil prices still upward of US \$18 a barrel.

Forward ever-backward never should be the adopted battle slogan. Please...Don't Back Back any more. Face the up tempo music and forget the beating of the Retreat. Now is the time to rally the forces for meaningful action.

Internal financial peace will entail improved internal financial auditing.

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FINANCE MINISTRY OFFICIAL RULES OUT ANY DEVALUATION

Port-of-Spain TRINIDAD GUARDIAN in English 22 Apr 87 p 1

[Article by Jerry Johnson]

[Text]

JUNIOR Finance Minister Trevor Sudama assured yesterday that Government has no intention of devaluing the Trinidad and Tobago dollar or going to the International Monetary Fund (IMF), at least not in the near future.

But if the price of oil drops significantly from its US\$18 a barrel, Government will have to return to the House of Representatives with a revised Budget of current expenditure.

Minister Sudama made these announcements at a news briefing called to outline discussions held by the Group of 24 in Washington between April 6 and 10.

Minister Sudama said the country's total accessible foreign reserves at the end of the first week in April stood at US\$330 million, much more than the minimum three months required internationally to import.

He broke the figure down to US\$265 million held by the Central Bank, US\$63 million in Special Drawing Rights (SDR) holdings at the IMF, and US\$91 million in a reserve tranche with the IMF, but which is not recorded in the Central Bank statement.

Trinidad and Tobago's external indebtedness at the end of 1986, but including its recent Yen bond placement, stood at \$1.857 billion. Broken down, the central Government's indebtedness was \$US1.141 billion; there was also a contingent liability where US\$655 million was guaranteed for state enterprises indebtedness, and US\$61 million for state enterprises which was not guaranteed.

Mr Sudama pointed out that what was important was the rate of external indebtedness to Gross National Product and that was about 20 percent. The figure in comparative terms for all developing countries was 32 percent and for Latin America and the Caribbean, 44 percent, he said.

The ability to service the external debt, and that was

the level of debt service in relation to export of goods and services, was 15 percent. For all developing countries, it was between 19-20 percent. For Latin America and the Caribbean it was 26 percent.

### External Debt

The ratio of public sector debt outstanding at the end of 1985, in relation to merchandise or invisible exports, was 60 percent. For all developing countries it was 137 percent and for Latin America and the Caribbean it was 220 percent.

He said while the country's external debt was one of concern, it was manageable, and the Government was taking the required steps to ensure that the country did not have to go to the IMF. The Group of 24, however, raised the issue of additional drawing rights with the IMF for countries with debt problems which would have increased the liquidity of the entire global system.

But the industrialised countries, which hold major voting power, firmly rejected the proposals. When asked what this meant in connection with an Economic Intelligence Unit report, which suggested that if the Government did not bring about a change in the economic fortunes of the country it will have to devalue the currency, Mr Sudama said:

"We have taken the position that there is going to be no devaluation, that we will do whatever is necessary to curtail our outflow of foreign exchange, curtail imports and our outflow of service payments, in order to keep our currency at the parity at which we have established; because the consequences of a devaluation is too severe to contemplate at this point and time."

A general devaluation was not contemplated then and it is not now. But Mr Sudama admitted that the foreseeable future hinged on oil prices, which in the 1987 Budget was calculated at current prices.

"If it slips we will have to review the situation," he said.

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PLANNING MINISTER GIVES QUARTERLY REVIEW OF ECONOMY

Port-of-Spain DAILY EXPRESS in English 17 Apr 87 p 6

[Article by Andy Johnson]

[Text]

THE TRINIDAD and Tobago Economy is still very much in crisis, although the slide downhill has been arrested. The Government is able to meet most, if not all, of its recurrent expenditure commitments but there is urgent need to generate funds for capital expenditure.

Planning and Reconstruction Minister Winston Dookeran, in an informal first quarter review of the economy, made these assertions yesterday during an interview with the *Express*.

Dookeran said that after the first three months of the year the economy was still very much in crisis, although he felt the downward trend had been slowed considerably.

"If by the end of 1987 we could reach a position of zero growth," he said, "I think that would have been an achievement. We have had four steady years of negative growth." The country was still a short distance away from resuming what he called "the growth path." This, he said, depended heavily on the success of the Government's initiatives and on the securing of necessary development funds.

Offering what he said were largely his own thoughts on the way ahead, Dookeran, said there was urgent need for a revision of the entire fiscal regime. He said concentration should be on reforming the tax structure and the loan portfolios in the commercial banks towards development activity.

Dookeran said the tax system must be overhauled to ensure that it fully supported national objectives. "In particular, attention needs to be given to deter-

mining the extent to which existing fiscal incentive measures are fulfilling the objectives that they were expected to serve."

In this regard, he said, new measures would have to be taken to satisfy basic development needs in a number of areas, including:

- Stimulation of growth and investment activity in areas of high priority;
- Encouragement of a higher level of national savings;
- Fostering ventures which can contribute to the creation of opportunities for permanent employment.

With reference to the banking sector, Dookeran said it must be impressed upon commercial banks that their loan portfolios must reflect the developmental objectives of the country to a much greater extent than obtains at present. In answer to a question, he said these views were generally accepted by his colleagues in the Cabinet, and, in his view, action needed to be taken urgently on these matters.

He said the country's foreign reserves situation remained delicate, with enough to supply up to three months imports, which was a slight improvement on the situation at the beginning of the year. "But it is not a comfortable position yet," he said. He added that, consistent with the Government's projections, there was a nine to 12 per cent overall rise in the cost of living as a result of the fiscal measures in the 1987 budget, conceding that "it is creating increased hardships for people in the lower income brackets."

But, he said, the hope was that this would generate more activity in the area of food production.

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NAR WARNED OF ATTEMPTS TO SPLIT, DESTROY PARTY

Port-of-Spain TRINIDAD GUARDIAN in English 27 Apr 87 p 1

[Article by Clevon Raphael]

[Text]

**NATIONAL SECURITY MINISTER Herbert Atwell yesterday warned members and supporters of the ruling National Alliance for Reconstruction (NAR) to guard against those seeking to split the party.**

Senator Atwell was winding up the resumed special NAR convention which approved the party's constitution, sealing the exercise which began February 23 last year when four opposition parties began the process of solidifying their groups into one party.

Among those on the rostrum was NAR political leader, Prime Minister A.N.R. Robinson, but he did not address the closing session.

Senator Atwell, chairman of the NAR, told the gathering at the Seamen and Waterfront Workers Trade Union (SWWTU) Hall, Port-of-Spain, that the road from February 23, 1986, was a long one, the most significant milestone being the general election victory by the party last December 15.

### Commitment To Principles

Noting the "propaganda" being spread by the party's detractors, Minister Atwell said the NAR faithfuls should be proud of themselves for sticking to their principles and ideals. He continued:

"As long as you remain committed to principles and dedication, as is your party's leadership, we will be able to make this country the kind of place we all want it to be."

Several amendments were made to the constitution before the document was finally approved, with heated debate taking place for provisions relating to the functioning of the party's youth arm and the fixing of an age limit for membership in this branch.

Some argued for a more active role for the youths — not merely limiting their participation to the traditional areas reserved for young people. Criticisms came on the question of the ceiling being fixed at 30 years when the United Nations had accepted 35 as the maximum age of a young person.

The name of the arm was changed from the National Youth Organisation to the National Committee for Youth Development.

### Delegate System

NAR's general secretary, Bhoe Tewarie, said this reflected the preparatory functions of the youths in the party for national service in the future.

Dr Tewarie, parliamentary representative for Caroni East, explained that as a result of the approval of the constitution the party's delegate system was now firmly established and this would ensure the participation in the affairs of the party by its ordinary members.

Approval of the constitution also sets up the NAR disciplinary committee and the party's code of ethics.

Dr Tewarie said the entire exercise was heartening to NAR officers, producing as it did diversity of views — all within the framework of "one love".

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PNM MEETINGS, LEADERS DISCUSS PARTY'S CURRENT SITUATION

Manning on Strategy

Port-of-Spain TRINIDAD GUARDIAN in English 27 Apr 87 p 3

[Article by Mikey Mahabir]

[Text]

**SAN FERNANDO** — Referring to the NAR Government and the move to amend the Constitution of Trinidad and Tobago, Opposition Leader Patrick Manning called on members and supporters of the People's National Movement (PNM) who attended the party's second regional conference to stand by for action.

He told the gathering at the Fyzabad Senior Comprehensive School on Saturday:

"If those gentlemen continue in the direction in which they are going, all I would say to you now is stand by for action. These people are heading on a collision course, not with the Opposition but with the people of Trinidad and Tobago."

He said that so far on this matter "we have been very docile indeed."

**Public Opinion**

Mr Manning believes that over the next few weeks much more will be said about the Constitution Amendment Bill.

"But already such a body of public opinion has been built up against it, he added, "that you would have thought that the Government would have gracefully bowed out."

He told the meeting that "our strategy was to give them the way out." And when as Leader of the Opposition he wrote the Prime Minister, all he sought through that letter was to put the Bill out for public comment.

Mr Manning said the Government put the Bill out for comment without saying at which authority the public comments should be made. "Now they are saying that they have received no comment on the Bill."

He spoke of the powers of the President of the Republic of Trinidad and Tobago with regard to the appointment and removal of senators under the Constitution as it now exists, and went on to state that is it not unreasonable to conclude that if somebody wants to have senators removed, it is not the President. If that is the case, then would not that be tantamount to a subversion of the Constitution? he asked.

Senator Robin Montano (PNM) felt sure the Bill would not pass in the Senate.

Port-of-Spain TRINIDAD GUARDIAN in English 28 Apr 87 p 3

[Article by Fazeer Mohammed]

[Text]

**GENERAL SECRETARY** of the People's National Movement, **Alvan Quamina**, has implored party members to accept the defeat that their party suffered in the 1986 General Election.

This was one of several recommendations made by Mr Quamina in a paper entitled "Recommendations for Movement Forward," which was circulated at the PNM's General Council meeting on Sunday at Balisier House.

He suggested that the acceptance of the party's defeat was a fundamental pre-requisite for moving forward.

"We in PNM at all levels must accept once and for all the fact that on December 15, 1986, we suffered a crushing and humiliating defeat," he said. "We must not attempt to deflect the impact of the word. We must take it on our chests as mature adults that we were defeated at the polls.

"We were defeated at two levels, at least. As a party we were rejected, and certain individuals were definitely and decisively rejected as well."

### Initial Vision

Mr Quamina appealed to party members to accept the reality of the defeat and also realise that some of them individually contributed to the defeat. He said that if the PNM fully appreciated its position today, "it would then deter members from unseemly and obscene posturing in which they persist."

The general secretary gave examples of several occasions when he submitted recommendations to the party leadership during the last few years when the PNM was in power, focusing attention on a number of issues which he felt was crucial to the continuing success of the party.

These included a need to return to the PNM's initial vision, philosophy and purpose and also to maintain continuous goal-oriented dialogue throughout the party and particularly at the leadership level.

One of the other major recommendations by Mr Quamina in his paper was that the position of the party chairman should be clarified. "There is no clear provision made in the Constitution in respect of the administration of the party," he said. "It does not really address the issue of the role and function of the chairman vis-a-vis administration of the organisation."

### Indepth Analysis

He asked the General Council to agree to a number of recommendations which he felt would help in tidying up and establishing firmly the party's entire administrative apparatus.

Among these was that an indepth analysis of the party in very practical terms should be embarked upon with respect to existing and potential leadership and the recruitment, speedy induction and involvement of new members.

He also advised the council to renounce the practice of preferential treatment for parliamentarians, whether Cabinet Ministers or Senators, over party officers and party members in general. Such a practice, he said, was a "proven liability."

Mr Quamina emphasised the need to establish a positive posture in the eyes of the nation so that the PNM would be recognised as the preferable alternative to the present Government. "We should refer to ourselves always as the alternative Government," he said.

He advised finally that the party should take a deliberate and determined decision that it will not fall again into the trap of the short-cut to achievement.

The General Council deferred the paper for consideration to a later date.

## Criticism of Manning

Port-of-Spain TRINIDAD GUARDIAN 'In English 29 Apr 87 p 1

[Text]

OPPOSITION LEADER Patrick Manning's method of creating the "new" People's National Movement (PNM) has run into criticism from top officers in the party.

They allege that a plan by Mr Manning to reduce staff at the party's Balisier House headquarters is more than just an attempt to cut costs within the PNM, which is in dire need of funds to conduct its operations, including paying of utility bills, wages and salaries.

In an interview yesterday, a spokesman for the disgruntled lot said Mr Manning hinted at the possible staff reduction during Sunday's general council meeting of the PNM, in Opposition following its defeat in the December 15 general election.

The official said:

"We do not think that money is the real reason even though the party is experiencing severe financial problems.

"Although he has not said how many or who will be sent home it is the view that he wants to get rid of certain people he perceives to be threats to his political ambition."

It was explained that the ten people employed at Balisier House receive monthly wages and salaries totalling about \$21,000.

The party would have to come up with considerable severance pay and pension benefits for some staff members who have been employed for as many as 30, 20 and 17 years.

### Turning Around Fortunes

Elaborating on Mr Manning's "methodology" for turning around the fortunes of the party, the spokesman said:

"He is doing precisely what he did with his constituency — San Fernando East — creating pseudo-organisations around the existing body.

"This is borne out by his appointing area managers and arrangement coordinators in all 36 constituencies whose major function is to establish new party groups.

"These bodies will be apart from the constituency executives who would be left to carry out normal operations.

"This new method is attempting to take the easy way out of an admittedly difficult situation. This is untenable because the PNM has already been built and there is nothing like a 'new image.' What is needed at this time is a mature response to the situation with constructive dialogue for the way forward."

It also was alleged that Mr Manning has identified the nucleus of the "new PNM" as the nine PNM members in Parliament and that he had undertaken to personally supervise the reorganisation of the party which enjoyed 30 years of unbroken rule until the December 15 polls.

"We as a party have nothing to be ashamed of apart from the antics and behaviour of some of the people's representatives at Cabinet level," the official added:

[Text]

"QUARRELLING AMONG ourselves must give way to mutually respectful dialogue. Accusing and pointing of the finger must give way to trust, collaboration and an honest joint search for strategies."

Those were the words of General Secretary of the People's National Movement, Alvan Quamina, as he presented a paper entitled "Recommendations for Movement Forward" at the party's General Council meeting, held last Sunday at Balisier House in which he called for "the new PNM" to stand up.

Recognising several facets of the PNM which eventually contributed to the disillusionment of the people of Trinidad and Tobago towards the party as reflected in its comprehensive defeat at the December 15 general elections, Mr Quamina chided his colleagues for not reacting decisively and effectively to the symptoms of unrest.

He noted several instances when he tabled papers to the General Council analysing the state of the PNM and delivered addresses at various constituency conferences where he called upon the party membership to return to the basic ideology of the organisation.

The general secretary lamented the fact that that in the years before the PNM was voted out, the party had, as he put it, "attracted to itself persons who sought self-advancement over the interests of the party; and who relegated party affairs and party integrity to a fourth class position, but who had succeeded in the piggy-back strategy only on the basis of the inherent forward momentum of the movement."

### Scapegoats

However, he warned members not to look for scapegoats or indulge in a witch hunt, saying that such irresponsible actions would do little to prepare the party for the future.

Instead, Mr Quamina prescribed the road to recovery as establishing priorities clearly and decisively which should be action oriented.

He also stressed on the necessity for honesty and integrity emphasising that they were pre-requisites for successfully moving forward. "Such honesty and integrity must carry over into our dealings at the level of the various units which we purport to represent here in the General Council," he said.

The general secretary warned constituency representatives that they should not sit comfortably in the General Council when they know that their constituencies are suffering from a lack of active party groups.

The executives of the Women's and Youth Leagues, he continued, must ensure first that they themselves represent functioning units in their own constituencies.

"We must function," he said, "on the premise that there is not one of us in this room who is more PNM than the other, and conversely, there is not one of us who is less PNM than the other."

"There is no point in our talking about a real PNM standing up if that real PNM is going to be suffocated at birth by the perverted priorities, the twisted standards, and immoral values."

ROLE OF EAST INDIANS, FEARS OF 'TAKEOVER' EXAMINED

Port-of-Spain SUNDAY EXPRESS in English 19 Apr 87 pp 24-25

[Article by Kathy Ann Waterman]

[Text]

**THERE** are several truths about East Indians in Trinidad and Tobago.

One is about the looming houses on pillars, about bustling towns like Chaguana, Couva and San Fernando that seem to contradict Winston Dookeran's contention that Indians are the "most economically depressed ethnic group." Another lies in villages like Avocat, where people plant rice and slip with ease from English to Hindi.

Yet another truth is about the growing political presence of Indians, their stronger representation on state boards and government ministries.

It is that aspect of Indian participation that is the most compelling for Trinidad and

Tobago. It's a change, says Senator Dr Sadeo Basdeo, which makes Indians feel for the first time that they truly belong. "I hear Indians saying, 'Trinidad is my *dharti mata*, Trinidad is my mother,' " he said.

John Gaffar La Guerre, university lecturer in government and former principal of the Sangre Grande Hindu College, contends that the Indian dream of grasping political power as a group died in the '60s and Indians realised they had to form alliances to influence political development. "The history of East Indian strategy in politics from 1975 has been essentially the history of alliances," he writes in *Calcutta to Caroni* (1985 revised edition).

Basdeo, university history lecturer and in his second Senate term, said by '61 the People's National Movement ceased to be a national party and became essentially an African party, making no serious attempt to co-opt Indians, and, the few who were embraced were there only to "colour the party."

And, although the PNM fielded several Muslims (Sham and Kamal Mohammed and former President of the Senate Wahid Ali), the last Hindu Minister was Ajodhasingh back in the 50s. Under the National Alliance

for Reconstruction government, there are four Hindus in Cabinet. Hindus make up a quarter of the population; Muslims about four per cent.

But wait a minute. All this talk about greater political integration of Indians may be somewhat exaggerated, says Chanka Seeteeram, president of the Hindi Nidhi Foundation. Consider: the total Indian population (which includes Christian Indians) is recorded as 429,187, just 1,677 less than Africans according to 1980 census — and the Indian population is growing at a faster rate. But Indians, although officially the second largest ethnic group, make up 25 per cent of the House of Representatives and 25 per cent of the Senate.

And no Indian has yet been named High Commissioner.

Seeteeram, a chartered accountant and the man who took over from the late Ram Kirpalani, said: "The Indian prominence that people sense hinges on the fact that we have a new government and there are more Indians on the team. This is a first for Trinidad. We have been accustomed to one thing for so long that a slight change has caught people's attention."

Indians taking a lead in politics is not new, as evidenced by men like Chanka Maharaj, Stephen Maharaj, Bhadaso Sagan Maharaj, Vernon Jamadar, C.B. Mathura and Timothy Roodal. Indeed, Ashford Sinanan almost became Prime Minister of the Federation, losing by two seats to Grantley Adams and ending up as Leader of the Opposition.

Trinidad experienced a wave of political co-operation in the '30s, the economic pressures drawing together Africans and Indians. Mitra Sinanan and Adrian Cola Rienzi were at the front with Tubal Uriah Butler. Basdeo said conditions in the Butler period resembled today's — moral decay, unemployment, and both Africans and Indians felt alienated from the colonial government.



The challenge facing the NAR, Basdeo said, was to seize the momentum and not let the nationalist spurt, the camaraderie between Indians and Africans "evaporate like morning dew."

The fear, however, of an East Indian takeover of the state still persists, says La Guerre, a fear that, paradoxically, has to do with "the increasing integration of East Indians" into various spheres. Indians are found in government, the civil service, at "the commanding heights of the economy," and are increasingly recruited into the police force and army.

But the economic strength of Indians may be an illusion. Minister in the Ministry of Planning and Reconstruction Winston Dookeran writes of an "imaginary economic threat of East Indians" in *Calcutta to Caroni*. In spite of strides in law, medicine and retail commerce and "pockets of affluence," he argues, Indians are "essentially an economically depressed group." The huge houses are often the result of a long Biswesian struggle and the "grandiose manner" in which East Indians celebrate religious festivals and weddings creates an impression of, "hidden economic strength, when, in fact, these were merely reflections of a cultural value system and a response to a feeling of alienation."

He bases his argument on Indians' higher birth rate, lower percentage in labour force and rural concentration. The major drawback to his study was the unavailability of current data. However, political scientist Dr Selwyn Ryan said Dookeran's 1974 study still held true. Ryan: "If one were to look at the face of several towns, it would be easy to come away with the idea that Indians really benefited from the petro-boom (which many did) but there is a persistent poverty."

Dookeran's study showed: In 1970, the average monthly income for paid employees was \$156 for Indians compared with \$194 for Africans. Most government workers were Africans while most agricultural were Indians. In every sector except commerce, the Government wage was higher than in the private sector and the agricultural sector (both government and private) paid the lowest wages. Based on the 1960 census, 70 per cent of the Indian population lived in rural areas. Other factors reflecting depressed economic state were general levels of sanitation and nutrition which were lower in rural areas.

Further, the Indian share of the under-15 population was about two per cent greater than the African, and the Indian household size two to three persons larger. This diminishes ability to acquire capital. Indians accounted for 31 per cent of labour force compared with 49 per cent for Africans, indicating a lower level of economic participation.

Dookeran speaks of a conflict between "cultural persistence and economic betterment." Eastern religion attached a mystique to land and land gave a feeling of security but, historically, economic returns to agricultural investments have been poor. The organisation of religion reinforced village residency which limited business opportunities, keeping Indians, "out of the mainstream of economic activities."

An economic system that creates the need for a "trade-off between cultural persistence and economic betterment," says Dookeran, accepts, implicitly, a "strategy" to absorb the East Indian culture into the dominant culture.

The "desperation with which East Indian culture is now being defended," says La Guerre, is a result of the eroding of that culture. "It is a cry of agony, of nostalgia."

A cultural renaissance is gathering speed, with a push for teaching Hindi in schools and the sprouting of several Hindu groups and foundations outside the Maha Sabha. There is now an "East Indian intelligentsia," represented at the '75, '79, and '84 East Indian conferences, and, most recently, this weekend's Caribbean Hindu conference, marked by a week-long *Pradakshina* marathon with Prime Minister A.N.R. Robinson and External Affairs Minister Basdeo Pandey bearing the torch on the first day.

But East Indians, more than any other group, says La Guerre, "face the formidable task of coming to terms with change in a plural society." The moving away from traditional roles and occupations into the mainstream, for any community, is a "traumatic experience," La Guerre writes.

The recent *Shivaratni* magazine, based on an interview with psychiatrist Dr Peter Lewis, reported that Hindus go through a cultural conflict, sharpened by peer pressure, and that conflict was "less in other socio-religious communities where the norms of society" were more easily accommodated.

Indrani Rampersad, who studied Indian philosophy, religion and geography at Benares University and is editor of *Jagriti* Hindu magazine, said the challenge facing the Hindu family was to adjust to the pressures of modern living — the urbanisation, dual career homes, exposure to an insensitive education system, while holding on to traditional values and preserving ethnic identity.

Pundits and Imams annually remind the population that Phagwa and Hosay are not Hindu and Muslim Carnivals. Earlier this year, the President of the Hindu Marriage Council chided Hindus for an "increase in the consumption of alcohol": almost every Hindu wedding, which was a "flagrant breach of the tenets of Hindu teaching, traditions and philosophy."

The Indian influence on cuisine, music, dress, festivals is waved as evidence of Trinidad's cosmopolitanism and integration: Tas-

sa drums blending with Catelli All Stars pans. Drupatie Ramgoonai singing *Chutney Soca* in calypso tent. Hindus worshipping Soparee Mai (La Divina Pastora) in Siparia on Holy Thursday and Good Friday.

But that "integration" does not always mean appreciation, says Rampersad, who sees a widespread lack of respect for the Hindu culture. The education system, she said, was uncompromising and paid scant attention to the culture. And, that deficiency drove her to give up teaching in '85, after several years.

Basdeo said teachers were poorly trained to appreciate and communicate different cultures, and, the education system reflected a government that had not afforded itself the contribution of different ethnic groups.

Rampersad: "We're not suggesting one culture is better than another. All we want is equality."

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